

Arkansas Public Service Commission
Docket Summary Cover Sheet
(For all dockets other than Rate Cases, "TD", "C" and "TF" Dockets
Must be filed with each new docket filed at the Commission

STYLE OF DOCKET: (Style may be changed by Secretary of Commission) Docket Number:

IN THE MATTER OF AN INVESTIGATION OF PROBABLE
VIOLATIONS OF THE ARKANSAS GAS PIPELINE CODE BY
CENTERPOINT ENERGY RESOURCES CORP., D/B/A
CENTERPOINT ENERGY ARKANSAS GAS

15-045-U

DOCKET DESIGNATOR: ☒ U ☐ A ☐ R ☐ P
☐ SD

RELATED DOCKETS:

Nature of Action: (See second sheet)

PETITIONER/INITIATING PARTY*

General Staff of the Arkansas Public Service
Commission

ATTORNEYS' NAME, ADDRESS, PHONE, FAX AND E-MAIL

Justin A. Hinton
Arkansas Bar #2010025
Staff Attorney
jhinton@psc.state.ar.us
1000 Center Street
P.O. Box 400
Little Rock, AR 72203-0400
501-682-5766

*If the initiating party is not a jurisdictional utility in Arkansas, please provide mailing address, phone, fax and e-mail for the company

Pursuant to Rule 3.04 of the Commission's Rules of Practice and Procedure, please provide name, address, phone, fax, e-mail of at least one, but not more than two names to appear on the Service List for this docket

Write a brief statement, limited to the space provided herein describing the case that you are filing.
Please provide enough information to assure that the nature of your docket is clear.

Probable violations of the Arkansas Gas Pipeline Code

Form completed by: _____ Date: _____

Representing: _____

NATURE OF ACTION: Please choose at least one, but no more than three docket types

<input type="checkbox"/> Accounting	<input type="checkbox"/> Lifeline/link up
<input type="checkbox"/> Acquisition/Sales	<input type="checkbox"/> Market Power
<input type="checkbox"/> Act 310 of 1981 (Surcharge)	<input type="checkbox"/> Merger/Transfer
<input type="checkbox"/> Act 821 of 1987 (Cooperatives Rate Change)	<input type="checkbox"/> Municipal Franchise Tax
<input type="checkbox"/> Administrative Procedures	<input type="checkbox"/> Net Metering
<input type="checkbox"/> Affiliate Rules	<input type="checkbox"/> Nuclear Decommissioning
<input type="checkbox"/> Annual Reports/Assessment	<input type="checkbox"/> One Call
<input type="checkbox"/> Ar Energy Conservation Act (Efficiency Programs)	<input checked="" type="checkbox"/> Pipeline Safety
<input type="checkbox"/> Arbitration	<input type="checkbox"/> Pole attachment issues
<input type="checkbox"/> Arkansas High Cost Fund	<input type="checkbox"/> Protective Order
<input type="checkbox"/> Arkansas Intralata Toll Pool	<input type="checkbox"/> Public Utility Holding Company Act
<input type="checkbox"/> Arkansas Universal Service Fund	<input type="checkbox"/> Public Utility Regulatory Policy Act
<input type="checkbox"/> ARSI Arkansas Relay Service, Inc.	<input type="checkbox"/> Purchase Power
<input type="checkbox"/> Auto Adjustment	<input type="checkbox"/> Railroad
<input type="checkbox"/> Avoided Cost	<input type="checkbox"/> Rates
<input type="checkbox"/> CCN Cancellation	<input type="checkbox"/> Refund
<input type="checkbox"/> CCN Facility	<input type="checkbox"/> Reports
<input type="checkbox"/> CCN License	<input type="checkbox"/> Resource Plan
<input type="checkbox"/> CECPN	<input type="checkbox"/> Restructuring
<input type="checkbox"/> Cost of Gas/Energy seasonal/unscheduled	<input type="checkbox"/> Retail
<input type="checkbox"/> Customer release/Abandonment	<input type="checkbox"/> River Crossing
<input type="checkbox"/> Declaratory Judgment	<input type="checkbox"/> Regional Transmission Organization
<input type="checkbox"/> Depreciation	<input type="checkbox"/> Rulemaking
<input type="checkbox"/> Dialing/Numbering	<input type="checkbox"/> Self-Direct Certification
<input type="checkbox"/> Disabilities Act of 1990	<input type="checkbox"/> Service Quality
<input type="checkbox"/> Earnings Review	<input type="checkbox"/> Shielded Outdoor Lighting
<input type="checkbox"/> Eligible Telecommunications Carrier Designation	<input type="checkbox"/> Show Cause
<input type="checkbox"/> Energy Policy Act	<input type="checkbox"/> Stranded Costs
<input type="checkbox"/> Energy/Fuel Purchasing Practices	<input type="checkbox"/> Sustainable Energy Resources
<input type="checkbox"/> EWG Exempt Wholesale Generator	<input type="checkbox"/> Terms and Conditions
<input type="checkbox"/> Extended Area Service	<input type="checkbox"/> Territory/release/unallocated territory
<input type="checkbox"/> Extension of Telecommunications Facilities Fund	<input type="checkbox"/> Transition costs
<input type="checkbox"/> Extraordinary Property Loss	<input type="checkbox"/> Unbundling
<input type="checkbox"/> FCC	<input type="checkbox"/> USOA (Uniform System of Accounts)
<input type="checkbox"/> Finance (Bonds/issue & sell; stock; prom note)	<input type="checkbox"/> Waiver/Exemption
<input type="checkbox"/> Grand Gulf	<input type="checkbox"/> Weather
<input type="checkbox"/> Integrated Resource Planning	<input type="checkbox"/> Wholesale
<input type="checkbox"/> Interconnection Agreements	<input type="checkbox"/> Wholesale Rate Adjustment
<input type="checkbox"/> Interest/Customer Deposit	
<input type="checkbox"/> Investigation/Inquiry	

BEFORE THE ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF AN INVESTIGATION)
OF PROBABLE VIOLATIONS OF THE)
ARKANSAS GAS PIPELINE CODE BY) **Docket No. 15-_____**
CENTERPOINT ENERGY RESOURCES CORP.,)
D/B/A CENTERPOINT ENERGY ARKANSAS)
GAS)

JOINT STIPULATION AND AGREEMENT FOR CONSENT ORDER

Comes now the Pipeline Safety Office (PSO) of the Arkansas Public Service Commission (PSC or Commission) and CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas (CEA), hereinafter collectively referred to as “the Settling Parties”, agreeing to the following terms as set forth in this Joint Stipulation and Agreement for Consent Order (“Agreement”).

1. This Agreement resolves all issues that arose from a natural gas incident that occurred on August 25, 2014, at 37 Knight Drive, North Little Rock, Arkansas.
2. The record has been fully developed, and the Settling Parties have undertaken a complete discussion of the issues, with each being a strong advocate for its respective positions.

FACTS

3. CEA contracted with a construction company, J. F. Construction of Arkansas, Inc. (J.F.), to replace the natural gas piping located on Knight Drive in North Little Rock, Arkansas. The natural gas pipeline that is the subject of this incident is a natural gas service that ran from Knight Drive, passed under the residence located at 37 Knight Drive, North Little Rock, Arkansas (the Residence), and provided service to two abandoned natural gas service risers at the site. The only natural gas pipeline that was located and marked was the portion of the natural gas service that ran from Knight Drive, underneath the residence, to one of the vacant risers, but of that natural gas

service that was located and marked, only the first eleven (11) feet of the natural gas service from the riser was marked. J.F. did not locate or mark the portion of the natural gas service that ran from Knight Drive under the Residence. J.F. did not mark any other natural gas pipelines in the area prior to the beginning of construction or the incident. There was no natural gas meter at the Residence, and the Residence was not using natural gas service at the time of the incident.

4. After digging a bell hole adjacent to the vacant natural gas service riser, J.F. began to bore with a pneumatic boring device along the West side of the Residence toward Knight Drive. After boring approximately twenty (20) minutes, the device would no longer move forward and J.F. determined that the device had hit something. J.F. began to excavate the area with a small backhoe where the pneumatic boring device had stopped. J.F. then noticed the smell of natural gas. While J.F. was in the process of excavating the device, an explosion occurred in the residence adjacent to the work area. The construction crew telephoned 911.

5. The resident of 37 Knight Drive, North Little Rock, Arkansas, was inside the Residence at the time of the explosion. After the explosion, a neighbor observed the resident exiting the Residence with smoke on him. The local fire department arrived and extinguished the fire. The resident was transported by ambulance to a local hospital for treatment. J.F. personnel located and squeezed off the service line located on Knight Drive near the tap next to a water main valve box. According to J.F. and CEA's personnel, the pneumatic boring device hit the existing natural gas pipeline service causing a tear in the side wall of the steel pipeline. The pneumatic boring device also caused the natural gas service to pull out of a coupling approximately three (3) feet from the west side of the residence.

VIOLATIONS OF THE PIPELINE SAFETY CODE

I. Violation of §192.17: Filing of Operation Inspection and Maintenance Plan

6. According to the Arkansas Gas Pipeline Code, §192.17:

Each operator shall file with Pipeline Safety, Public Service Commission, a plan for operations, inspection and maintenance of each pipeline facility which he owns or operates. In addition, each change to this plan must be filed with Pipeline Safety within 20 days after the change is made. Once filed, this plan becomes a part of these standards as though incorporated and must be followed by the operator.

7. CEA's contractor, J.F., failed to follow CEA's Construction and Service Manual as filed with the PSO. Specifically Section CS-B-4.100, relating to installation of plastic pipe by boring, states "[w]hen boring is an approved method for installing pipe the first requirement is to locate all underground utilities before starting the project." CEA's contractor, J.F., failed to locate all underground utilities before starting the replacement project. Additionally, CEA's contractor, J.F., failed to follow Section CS-D-1.300 of CEA's Construction and Service Manual when it failed to check the adjacent structure for the presence of natural gas or evacuate the residence when the presence of natural gas was known.

II. Violation of § 192.614: Damage Prevention Program.

8. According to the Arkansas Gas Pipeline Code, §192.614:

(a) Except as provided in paragraphs (d) and (e) of this section, each operator of a buried pipeline must carry out, in accordance with this section, a written program to prevent damage to that pipeline from excavation activities. For the purpose of this section, the term "excavation

activities" include excavation, blasting, boring, tunneling, backfilling, the removal of the above ground structures by either explosive or mechanical means, and other earth moving operations.

9. CEA and its contractor, J.F., failed to "carry out" the written program to prevent damage from excavation activities as evidenced by the damage to the gas main that caused damage to the Residence and injury to the resident.

10. After the PSO investigated this natural gas incident, it provided CEA with an incident report which outlined the PSO's investigation into the natural gas incident, CEA's probable violations of the Code, and recommendations by the PSO for CEA's probable violations of the Code. A copy of the investigation report is attached to this Agreement as Exhibit 1.

SETTLEMENT PROVISIONS OF THE AGREEMENT

11. The record has been fully developed and a complete discussion of the issues has been undertaken by the Settling Parties, with each being a strong advocate for its respective positions.

12. The Settling Parties agree to the following settlement provisions:

a. CEA agrees to the PSO's recommended civil sanction in the amount of \$50,600.

b. In lieu of paying the civil sanction in cash, CEA agrees to donate \$50,600 to Arkansas One Call designated for the purchase by Arkansas One Call of three (3) Ground Penetrating Radar (GPR) units and for the cost of training by the seller of the GPR units for proper use of the devices by Arkansas One Call, with any residual amounts not used for the purchase of such equipment or training to be paid to the Commission as a civil penalty.

c. CEA's contractor agreed to pay a fine of twenty-five thousand dollars (\$25,000) to Pulaski County for violation of the Arkansas Underground Facilities Damage Prevention Act, Ark. Code, Ann. §14-271-101, et seq. A copy of the file marked Consent Order, Judgment and Decree and a copy of the check paid from J.F. to the General Fund of Pulaski County, Arkansas, is attached to the Agreement as Exhibit 2.

d. CEA agrees to meet with all of its selected contracting companies and review with them the importance and requirements of following all safety, construction, and operational procedures required by the operator as well as the Arkansas Gas Pipeline Code. CEA also agrees to provide documentation to the PSO to verify it conducted these meetings. Additionally, CEA agrees to provide documentation to the PSO including, but not limited to, an outline of the topics discussed and the attendance roster for all such meetings.

e. CEA agrees that that no part of the civil sanction ordered in this case shall be recoverable in rates charged to its customers in Arkansas.

13. The Settling Parties have reached this Agreement as a settlement of all the issues outstanding in in this docket. By this Joint Stipulation and Agreement for Consent Order, the Settling Parties are requesting that the Arkansas Public Service Commission approve the Agreement.

14. As support for the Agreement, CEA is filing the Settlement Testimony of Keith A. Kittinger, and Staff is filing the Settlement Testimony of Robert H. Henry.

RIGHTS OF THE PARTIES

15. This Agreement is made upon the explicit understanding that it constitutes a negotiated settlement which is in the public interest. Nothing herein shall constitute an admission of any claim, defense, rule, or interpretation of law, allegation of fact, or interpretation of law, that may underlie, or be perceived to underlie, this Agreement.

16. This Agreement is expressly contingent upon its approval by the Commission without modification. The various provisions of this Agreement are interdependent and inseverable. The Settling Parties shall cooperate fully in seeking the Commission's acceptance and approval of this Agreement. The Settling Parties shall not support any alternative proposal or settlement agreement while this Agreement is pending before the Commission.

17. Except as to matters specifically agreed to be done or to occur in the future, no party shall be precluded from taking any positions on the merits of any issue in any subsequent proceeding in any forum. This Agreement shall not be used or argued as establishing precedent in a future proceeding.

18. In the event the Commission does not accept, adopt, and approve this Agreement in its entirety and without modification, the Settling Parties agree that this Agreement shall be void and of no effect. In that event, however, the Settling Parties agree that: (1) no party shall be bound by any of the provisions or agreements herein contained; (2) all the Settling Parties shall be deemed to have reserved all their respective rights and remedies in this proceeding; and (3) no Settling Party shall introduce this Agreement or any related writing, discussions, negotiations, or other communications of any type in any proceeding.

WHEREFORE, the Settling Parties pray that the Commission adopt the Joint Stipulation and Agreement for Consent Order and issue an order consistent with its terms.

Respectfully Submitted,

General Staff of the Arkansas
Public Service Commission

By: /s/ Justin A. Hinton
Justin A. Hinton
Arkansas Bar #2010025
Staff Attorney
jhinton@psc.state.ar.us
1000 Center Street
P.O. Box 400
Little Rock, AR 72203-0400
501-682-5766

AND

CenterPoint Energy Resources Corp. d/b/a
CenterPoint Energy Arkansas Gas

By: /s/ Kenny W. Henderson
Kenny W. Henderson
Arkansas Bar #86087
Stephanie Hammons
Arkansas Bar #2003221
CenterPoint Energy Resources Corp.
401 West Capitol Avenue, Suite 102
Little Rock, Arkansas 72201
(501) 377-4612

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ARKANSAS GAS**

Date:

6-25-15



Walter L. Bryant
Vice President Regional Operations

**PIPELINE SAFETY OFFICE OF THE
ARKANSAS PUBLIC SERVICE COMMISSION**

Date:

6-25-15



John Bethel, Executive Director

CERTIFICATE OF SERVICE

I, Justin A. Hinton, hereby certify that a copy of the foregoing has been served on all parties of record by electronic mail or first class mail, postage prepaid, on the 25th day of June, 2015.

/s/ Justin A. Hinton
Justin A. Hinton

ARKANSAS PUBLIC SERVICE COMMISSION



PIPELINE ACCIDENT REPORT

37 KNIGHT DRIVE

North Little Rock

ARKANSAS PUBLIC SERVICE COMMISSION
PIPELINE SAFETY OFFICE
P.O. BOX 400
LITTLE ROCK, ARKANSAS 72203-0400
REPORT NUMBER 2014-2-A

PENGAD 800-531-6989

EXHIBIT

1

Preface

As authorized by the Arkansas Code Annotated §23-15-207 (a), the Pipeline Safety Section of the Arkansas Public Service Commission conducted an investigation into the facts and circumstances of the incident that occurred on Monday, August 25, 2014, at 37 Knight Drive, North Little Rock, Arkansas. One injury occurred as a result of this incident. The facts, analysis, conclusions, and recommendations are listed herein.

I. SYNOPSIS

At approximately 10:22 AM, on Monday, August 25, 2014, a natural gas incident occurred at a structure located at 37 Knight Drive in North Little Rock, Arkansas (the "Residence"). There was one occupant inside the residence at the time of the incident. The occupant experienced burns and required transportation to a local hospital for medical attention. Property damage and gas loss has been estimated to be \$50,600.00 as reported by the operator (Exhibit 1).

II. FACTS

A. The Incident

The local natural gas company, CenterPoint Energy Arkansas Gas (CEA), through the use of a contracted construction company, was in the process of replacing the natural gas piping located on Knight Drive, in North Little Rock, Arkansas. The natural gas pipeline that is subject of this incident is a natural gas service that ran from Knight Drive, passed under the Residence, and provided service to two abandoned natural gas service risers at the site. The only natural gas pipeline that was located and marked was the portion of a natural gas service that ran underneath the Residence to one of the vacant riser, but of that natural gas service that was located and marked, only the first eleven (11) feet of the natural gas service from the riser was marked. The portion of the natural gas service that ran from Knight Drive to the residence was not located or marked. No other natural gas pipelines was located or marked in the area prior to the beginning of construction or the incident. A natural gas meter was not located at the Residence and natural gas service was not being utilized by the Residence.

After digging a bell hole next to the vacant natural gas service riser, the crew began to bore with a pneumatic boring device along the West side of the Residence towards Knight Drive (Exhibit 2). After boring approximately twenty (20) minutes, the device would no longer move forward and it was determined by the contractor that the device had hit something. The construction crew began to excavate the area with a small backhoe where the pneumatic boring device had stopped. The construction crew then noticed the smell of natural gas. While the construction crew was in the process of excavating the device, an explosion occurred in the residence adjacent to the work area (Exhibit 3, 4, 5, 6). The construction crew telephoned 911.

A resident was inside the Residence at the time of the explosion. The resident was observed exiting the Residence by a neighbor with smoke on him. The local fire department arrived and extinguished the fire. The resident was transported by ambulance to a local hospital for treatment. The natural gas main located on Knight Drive was located and the service was squeezed off near the tap next to a water main valve box (Exhibit 7). According to the contractor and CEA's personnel, the existing natural gas pipeline service was hit by the pneumatic boring device causing a tear in the side wall of the steel pipeline. The pneumatic boring device also caused the natural gas service to pull out of a coupling approximately three (3) feet from the west side of the residence (Exhibit 8, 9, 10). During

the interview process, several varying accounts were given as to the number of explosions and times they occurred during the incident.

B. Investigation Activities

1. Arrival on the Incident Scene on Monday, August 25, 2014

CEA contacted the Pipeline Safety Office (PSO) at 11:15 AM on Monday, August 25, 2014, and the PSO inspectors arrived at 37 Knight Drive, in North Little Rock, at approximately 12:15 PM. The PSO immediately began assessing the situation and photographing the incident area. The PSO made contact with Mr. Jay Reber, District Operations Supervisor, CEA, who was at the scene. Mr. Reber provided details as to the CEA's actions taken since the incident occurred. The PSO investigation process was discussed with all parties. CEA personnel and all of CEA's contracted personnel involved in the incident were selected to be interviewed by the PSO. Also, a witness, who was a neighbor from across the street, was also interviewed by the PSO.

2. Initial Interview of the Operator's Personnel

Mr. Reber stated that the incident notification was received by their CEA Call Center at 10:39 AM on Monday, August 25, 2014. The CEA Call Center dispatched Travis Adams, a service tech, to the incident scene at 10:42 AM, August 25, 2014, and he arrived at 11:00 AM, August 25, 2014. CEA contracted inspector, Billy Hamilton, arrived at 10:55 AM, and Mr. Gary Bulloch, an operations supervisor with CEA, arrived at 11:15 AM, August 25, 2014. Mr. Reber stated that the CEA's contracted construction company was boring a new service line to the residence. At approximately 10:22 AM on August 25, 2014, during the pneumatic boring process to install the new pipeline, a live natural gas pipeline was struck by the boring equipment and this resulted in the unintentional release of natural gas into and underneath the Residence. The escaping natural gas then ignited. CEA's contracted construction crew made contact with 911. The local fire department arrived at 10:25 AM to extinguish the fire and monitor any hot spots that could occur. One resident was inside the Residence at the time of the explosion and was injured. The resident was transported by ambulance to a local hospital for treatment. The natural gas pipelines in the immediate work area had not been located prior to the beginning of construction. The natural gas pipeline providing service to the residence was then located and squeezed off near the tap located on Knight Drive at approximately 10:55 AM, Monday, August 25, 2014, by the construction contractor.

3. Interviews conducted by the PSO

Francisco Medina, Foreman, J.F. Construction Company

Mr. Medina stated he located the residential natural gas service with a pipeline locator. The PSO did not see any indications that this natural gas main was marked on the ground or flagged prior to the beginning of construction. Mr. Medina noted the natural gas service line went under the Residence

and back out from under the Residence to the natural gas service riser. He was asked by Mr. Jay Reber why the route of the new service line chosen. Mr. Madina stated that it was shorter to go to the street in that direction. Twenty minutes into the boring process, he stated that the boring device stopped. At that point, he stated that he started to excavate where the pneumatic boring device stopped moving forward. He stated that he smelled gas and about five minutes into the excavation of the boring device, the first explosion occurred. He said after the initial explosion the fire stopped and about twenty (20) minutes later, it reignited. He said the resident escaped the structure after the initial explosion. Mr. Madina stated that he then called 911 at 10:22 AM on August 25, 2014, after the first explosion occurred.

Hose M. Torres, Crewman, J.F. Construction Company

Mr. Torres stated he was working across the street from the incident location and was called by Mr. Madina to help dig when the odor of natural gas was first detected. He stated that he did smell gas when he arrived at the incident location to help. He said when the explosion took place, the resident inside the structure came outside right away.

Saul Olvera, Crewman, J.F. Construction Company

Mr. Olvera stated that when the residential natural gas customer line was located, he was across the street working. When the construction crew started the boring device, he came over to help. He did not know how long the boring process had been going on when the line was hit. He stated he was going back and forth across the street during that time. He stated that about ten minutes from the time when the device stopped and the crew began to dig where the boring device stopped, the explosion occurred. He also stated he smelled natural gas when the crew began to dig where the boring device stopped.

Allen Burnett, Crewman, J.F. Construction Company

Mr. Burnett stated that he was placing construction cones out on the street and getting the area prepared for work. He was not involved with the work being done at the incident location. He also did not know who located the natural gas customer line. He was working across the street alone when the explosion occurred. He did state that Mr. Torres and Mr. Olvera were with him at the start of his work before they went over to help with dig where the bore had stopped. He did not go over to the site until he observed the fire at the Residence. He stated he saw flames in the Residence and the resident came outside singed and burned on his back and arms. He stated the Residence was burning inside the structure.

Violet Skaggs, Neighbor, across street from the incident location to the North.

Ms. Skaggs said she had not smelled gas in the area previous to the day of the event. She knew work was being done in the area. She was in her back bedroom when she heard a boom that shook

her residence. She moved to the front of her residence near the kitchen area to view the incident. Ms. Skaggs stated she then saw a man running out of the Residence across the street with smoke on him. Ms. Skaggs then came outside from her residence and asked if he was ok. He stated he needed an ambulance. She said there was a second boom about ten minutes later and a third boom right after the second. She stated that flames were in the house from the time of the initial explosion and a fire burning under the residence.

III. LABORATORY TESTING RESULTS

No laboratory testing was conducted due to the known failure mode of the pipeline. The incident involved a construction crew boring a new plastic service line and during the boring process, an unmarked natural gas steel service was hit and damaged, causing the pipeline to fail.

IV. ANALYSIS

1. Prior to the Incident

The contractor was replacing the natural gas mains and service lines along Knight Drive in North Little Rock. The contractor had contacted Arkansas One Call (Exhibit 11). All of the underground utilities within the One-Call ticket area had been marked with the exception of the natural gas pipelines. Mr. Reber, with CEA, stated that it is the responsibility of the contractor to mark the gas facilities since they are working for CEA. The only marked natural gas pipelines located in the construction area was the natural gas service from the gas riser to where the natural gas service ran underneath the residence toward Knight Drive.

2. Production of Records

On Monday, August 25, 2014, the PSO requested in writing from CEA the records related to the incident location, 37 Knight Drive in North Little Rock, Arkansas. On September 19, 2014, the following records were received by the PSO: Drug and alcohol test results, operator maps of the natural gas facilities in the area (Exhibit 12), odorant concentration test records (Exhibit 13), natural gas migration survey (Exhibit 14), and operator qualification records for the contractor's personnel

3. Records Review Results

Drug and alcohol tests were reviewed and noted to be negative and complete. Odorization records were current and accurately performed in accordance with the Arkansas Gas Pipeline Code. Post incident odorant tests indicated that odorant concentration levels were correct and within limits of one-fifth of the Lower Explosive Limit. The natural gas migration study was complete and showed no leaks remaining at the site. Operator qualification records were reviewed and found to be acceptable per the Arkansas Gas Pipeline Code. Photographs of the incident scene taken by the PSO were also reviewed.

4. The Incident

On Monday, August 25, 2014, at approximately 10:39 AM during a natural gas main and service line replacement project, a CEA contracted construction crew was performing a bore for a new service line and hit an unmarked existing natural gas pipeline that at one time served two meters. Approximately twenty minutes into the pneumatic boring process for the new line, the boring device stopped its forward movement. The construction crew began to excavate the area to determine what had stopped the bore. According to Francisco Madina, Foreman for J.F. Construction Company, natural gas was smelled and approximately five minutes later the adjacent residence flash exploded, injuring the resident who was inside of the Residence. The CEA contractor then contacted 911 to report the incident. The resident was transported to a local hospital for treatment. Witness reports varied on how many subsequent explosions occurred. The local fire department arrived, extinguished the fire, and monitored hot spots. The CEA contracted construction company squeezed off the flow of natural gas near the natural gas main tap located on Knight Drive. Upon further investigation, it was determined that the boring device struck and damaged an unmarked natural gas service. CEA conducted a leak survey of the immediate area and found no further leaks after the natural gas main was squeezed off. CEA contracted construction crew was interviewed and sent to be drug and alcohol tested. A gas odorization test was taken by CEA employees and observed by the PSO and found to be within acceptable limits.

V. CONCLUSIONS

A. Violations of CEA's Procedures

1. CEA procedures were not followed by their contracted construction company. According to the CEA's Construction and Service Manual (Section CS-B-4.100 P. 4 OF 8): "When boring is an approved method for installing pipe the first requirement is to locate all underground utilities before starting the project". Although Arkansas One call was notified and all utilities other than gas were marked according to the CEA Construction and Service Manual, it is the responsibility of the operator or contractor to mark all gas lines within the project area. As stated in section CS-B-4.100 on Page four of eight, "Boring is an approved method for installing pipe when open trench excavating is not feasible. Examples include bores under paved roads or driveways: 1) Locate all underground utilities before starting project." See Exhibit 15. The only natural gas locate conducted in the immediate area where construction was taking place was the portion of the natural gas service from the riser to the residence. CEA's contracted construction company did not locate or mark the remainder of the natural gas service that ran from the Residence to Knight Drive.

2. Protection of life first then property was not followed when it was apparent natural gas was leaking adjacent to the Residence. The natural gas leak exploded causing the injury of one resident. According to the CEA Construction and Service Manual procedures (Section CS-D-1.300 P. 5 of 6) "evacuation must be instituted immediately when a building contains a concentration of gas approaching 1% natural gas in air. This also applies to open air areas as well. Contained in the list of some ignition sources would be automobiles, trucks, or tractors when running". (Exhibit 16) During

the process of excavating with a backhoe to find out what was hit by the boring device, natural gas was smelled by the construction personnel. Instead of checking the adjacent structure for the presence of natural gas, or evacuating the residence, the crew continued excavating. In this situation, no natural gas detection equipment was used and machinery was operated in an unknown natural gas oxygen environment.

B. Cause

On Monday, August 25, 2014, during a main and service pipeline replacement project along Knight Drive in North Little Rock, a CEA contracted construction crew boring a new service line hit an unmarked existing natural gas service that at one time served two meters. When the natural gas pipeline was struck, the crew began to excavate the area to uncover what had stopped the tool. The portion of the pipeline which was damaged was not located prior to beginning construction.

C. Probable Violations of the Arkansas Gas Pipeline Code

1. §192.17: Filing of Operation Inspection and Maintenance Plan

According to the Arkansas Gas Pipeline Code, §192.17:

"Each operator shall file with Pipeline Safety, Public Service Commission, a plan for operations, inspection and maintenance of each pipeline facilities which he owns or operates. In addition, each change to this plan must be filed with Pipeline Safety within 20 days after the change is made. Once filed, this plan becomes a part of these standards as though incorporated and must be followed by the operator."

CEA's contracted personnel failed to follow CEA's Construction and Service Manual as filed with the PSO. Specifically Section CS-B-4.100, relating to instillation of plastic pipe by boring, states "[w]hen boring is an approved method for installing pipe the first requirement is to locate all underground utilities before starting the project." CEA's contracting personnel failed to locate all underground utilities before starting the replacement project. Additionally, CEA's contracted personnel failed to follow Section CS-D-1.300 of CEA's Construction and Service Manual when it failed to check the adjacent structure for the presence of natural gas or evacuate the residence when the presence of natural gas was known.

CEA and their contracted construction crew also violated Section 192.614 Damage Prevention, of the Arkansas Gas Pipeline Code as stated below:

2. § 192.614 Damage Prevention Program.

According to the Arkansas Gas Pipeline Code, §192.614:

(a) Except as provided in paragraphs (d) and (e) of this section, each operator of a buried pipeline must carry out, in accordance with this section, a written program to prevent damage

to that pipeline from excavation activities. For the purpose of this section, the term "excavation activities" include excavation, blasting, boring, tunneling, backfilling, the removal of the above ground structures by either explosive or mechanical means, and other earth moving operations.

CEA and their contracted construction company failed to "carry out" the written program to prevent damage from excavation activities as evidenced by the damage to the gas main that caused damage to the Residence and injury to the resident.

RECOMMENDATIONS

1. It is recommended that CEA meet with their selected contracting companies and review the importance and requirements of following all safety, construction, and operational procedures required by the operator as well as the Arkansas Gas Pipeline Code. It is also recommended that CEA be required to provide documentation to the PSO to verify these meetings were conducted. This documentation must include an outline of the discussed topics and the attendance roster for the meeting.
2. Due to the probable violations of the Arkansas Gas Pipeline Code, §192.17 Filing of Operation, Inspection and Maintenance Plan, and §192.614(a) Damage Prevention Program, and the resulting injuries sustained by the resident and the destruction of his residence, it is recommended that a civil penalty in the amount of \$50,600 dollars be levied against CEA by the Commission. Pursuant to Ark. Code Ann. § 23-15-211 (a), a person who violates a provision of the Arkansas Gas Pipeline Code is subject to a civil penalty not to exceed two million dollars (\$2,000,000) for any related series of violations. If the two above referenced Code violations and procedures would have been followed properly by CEA and their contractor, the incident would have been avoided. Properly locating the live natural gas pipelines prior to the beginning of the construction activities could have avoided the contractor hitting the natural gas main which caused the natural gas leak. Evacuation of the Residence immediately after the pipeline was hit and began releasing natural gas, would have prevented the resident being injured when the explosion occurred.



Jason Donham
Pipeline Safety Specialist



Robert Henry
Chief, Pipeline Safety

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Exhibit 1

Page 2

<p>**11. Were there fatalities? <input type="radio"/> Yes <input checked="" type="radio"/> No If Yes, specify the number in each category:</p> <p>11.a Operator employees <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u></p> <p>11.b Contractor employees working for the Operator <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u></p> <p>11.c Non-Operator emergency responders <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u></p> <p>11.d Workers working on the right-of-way, but NOT associated with this Operator <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u></p> <p>11.e General public <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u></p> <p>11.f Total fatalities (sum of above) <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u></p>	<p>**12. Were there injuries requiring inpatient hospitalization? <input checked="" type="radio"/> Yes <input type="radio"/> No If Yes, specify the number in each category:</p> <p>12.a Operator employees <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 0 </u></p> <p>12.b Contractor employees working for the Operator <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 0 </u></p> <p>12.c Non-Operator emergency responders <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 0 </u></p> <p>12.d Workers working on the right-of-way, but NOT associated with this Operator <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 0 </u></p> <p>12.e General public <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u></p> <p>12.f Total injuries (sum of above) <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u></p>
<p>**13. Was the pipeline/facility shut down due to the incident? <input checked="" type="radio"/> Yes <input type="radio"/> No \Rightarrow Explain: <u>service line to 37 Knight Dr. only.</u></p> <p>If Yes, complete Questions 13.a and 13.b: (use local time, 24-hr clock)</p> <p>13.a Local time and date of shutdown <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 5 </u> <u> 1 </u> <u> 1 </u> <u> 0 </u> <u> 8 </u> <u> 1 </u> <u> 2 </u> <u> 5 </u> <u> 1 </u> <u> 1 </u> <u> 4 </u> <u> 1 </u> Hour Month Day Year</p> <p>13.b Local time pipeline/facility restarted <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 0 </u> <u> 8 </u> <u> 1 </u> <u> 2 </u> <u> 5 </u> <u> 1 </u> <u> 1 </u> <u> 4 </u> <u> 1 </u> Hour Month Day Year <input checked="" type="radio"/> Still shut down* (*Supplemental Report required)</p>	
<p>**14. Did the gas ignite? <input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>**15. Did the gas explode? <input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>16. Number of general public evacuated: <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u> <u> 1 </u></p> <p>17. Time sequence (use local time, 24-hour clock):</p> <p>17.a Local time operator identified incident <u> 1 </u> <u> 1 </u> <u> 0 </u> <u> 1 </u> <u> 3 </u> <u> 1 </u> <u> 9 </u> <u> 1 </u> <u> 0 </u> <u> 8 </u> <u> 1 </u> <u> 2 </u> <u> 5 </u> <u> 1 </u> <u> 1 </u> <u> 4 </u> <u> 1 </u> Hour Month Day Year</p> <p>17.b Local time operator resources arrived on site <u> 1 </u> <u> 1 </u> <u> 0 </u> <u> 1 </u> <u> 4 </u> <u> 2 </u> <u> 1 </u> <u> 0 </u> <u> 8 </u> <u> 1 </u> <u> 2 </u> <u> 5 </u> <u> 1 </u> <u> 1 </u> <u> 4 </u> <u> 1 </u> Hour Month Day Year</p>	

PART B - ADDITIONAL LOCATION INFORMATION	
1. Was the Incident on Federal land? <input type="radio"/> Yes <input checked="" type="radio"/> No	
**2. Location of Incident: (select only one) <input type="checkbox"/> Operator-controlled property <input type="checkbox"/> Public property <input checked="" type="checkbox"/> Private property <input type="checkbox"/> Utility Right-of-Way / Easement	
**3. Area of Incident: (select only one) <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <input checked="" type="checkbox"/> Underground Specify: <input checked="" type="radio"/> Under soil <input type="radio"/> Under a building <input type="radio"/> Under pavement <input type="radio"/> Exposed due to excavation <input type="radio"/> In underground enclosed space (e.g., vault) <input type="radio"/> Other _____ Depth-of-Cover (In): <u>1</u> <u>2</u> <u>4</u> <u>1</u> <u>1</u> </div> <div style="width: 35%;"> <input type="checkbox"/> Aboveground Specify: <input type="radio"/> Typical aboveground facility piping or appurtenance (e.g. valve or regulator station, outdoor meter set) <input type="radio"/> Overhead crossing <input type="radio"/> In or spanning an open ditch <input type="radio"/> Inside a building <input type="radio"/> In other enclosed space <input type="radio"/> Other _____ </div> </div> <div style="margin-top: 5px;"> <input type="checkbox"/> Transition Area Specify: <input type="radio"/> Soil/air interface <input type="radio"/> Wall sleeve <input type="radio"/> Pipe support or other close contact area <input type="radio"/> Other _____ </div>	
**4. Did Incident occur in a crossing? <input type="radio"/> Yes <input checked="" type="radio"/> No If Yes, specify type below:	
<input type="checkbox"/> Bridge crossing ⇨ Specify: <input type="radio"/> Cased <input type="radio"/> Uncased	
<input type="checkbox"/> Railroad crossing ⇨ (Select all that apply) <input type="radio"/> Cased <input type="radio"/> Uncased <input type="radio"/> Bored/drilled	
<input type="checkbox"/> Road crossing ⇨ (Select all that apply) <input type="radio"/> Cased <input type="radio"/> Uncased <input type="radio"/> Bored/drilled	
<input type="checkbox"/> Water crossing ⇨ (Select all that apply) <input type="radio"/> Cased <input type="radio"/> Uncased <input type="radio"/> Bored/drilled	
Name of body of water (if commonly known): _____ Approx. water depth (ft): <u>1</u> <u>1</u> <u>1</u> <u>1</u> <u>1</u>	

PART C – ADDITIONAL FACILITY INFORMATION	
**1. Indicate the type of pipeline system: <input type="checkbox"/> Natural Gas Distribution, privately owned <input type="checkbox"/> Natural Gas Distribution, municipally owned <input type="checkbox"/> Petroleum Gas Distribution <input checked="" type="checkbox"/> Other ⇨ Specify: <u>Publically Owned LDC</u>	
**2. Part of system involved in Incident: (select only one) <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Main <input type="checkbox"/> Inside Meter/Regulator set <input type="checkbox"/> District Regulator/Metering Station <input type="checkbox"/> Other _____ </div> <div> <input checked="" type="checkbox"/> Service <input type="checkbox"/> Farm Tap Meter/Regulator set <input type="checkbox"/> Valve </div> <div> <input type="checkbox"/> Service Riser <input type="checkbox"/> Outside Meter/Regulator set </div> </div>	
2.a. Year "Part of system involved in Incident" was installed: <u> / / / / / </u> or <input checked="" type="radio"/> Unknown	
3. When "Main" or "Service" is selected as the "Part of system involved in Incident" (from PART C, Question 2), provide the following:	
3.a. Nominal diameter of pipe (in): <u> / / / / / </u>	
3.b. Pipe specification (e.g., API 5L, ASTM D2513): _____	
3.c. Pipe manufacturer: _____ or <input checked="" type="radio"/> Unknown	
3.d. Year of manufacture: <u> / / / / / </u> or <input checked="" type="radio"/> Unknown	
4. Material involved in Incident: <input checked="" type="checkbox"/> Steel <input type="checkbox"/> Cast/Wrought Iron <input type="checkbox"/> Ductile Iron <input type="checkbox"/> Copper <input type="checkbox"/> Plastic <input type="checkbox"/> Unknown <input type="checkbox"/> Other ⇨ Specify: _____	
4.a. If Steel ⇨ Specify seam type: _____ or <input type="radio"/> None or <input checked="" type="radio"/> Unknown	
4.b. If Steel ⇨ Specify wall thickness (inches): <u> / / / / / </u> or <input checked="" type="radio"/> Unknown	
4.c. If Plastic ⇨ Specify type: <input type="radio"/> Polyvinyl Chloride (PVC) <input type="radio"/> Polyethylene (PE) <input type="radio"/> Cross-linked Polyethylene (PEX) <input type="radio"/> Polybutylene (PB) <input type="radio"/> Polypropylene (PP) <input type="radio"/> Acrylonitrile Butadiene Styrene (ABS) <input type="radio"/> Polyamide (PA) <input type="radio"/> Cellulose Acetate Butyrate (CAB) <input type="radio"/> Other _____ <input type="radio"/> Unknown	
4.d. If Plastic ⇨ Specify Standard Dimension Ratio (SDR): <u> / / / / / </u> or wall thickness: <u> / / / / / </u> or <input type="radio"/> Unknown	
4.e. If Polyethylene (PE) is selected as the type of plastic in PART C, Question 4.c ⇨ Specify PE Pipe Material Designation Code (i.e., 2408, 3408, etc.) <u>PE / / / / / </u> or <input type="radio"/> Unknown	
5. Type of release involved: (select only one)	
<input type="checkbox"/> Mechanical Puncture ⇨ Approx. size: <u> / / / / / </u> in. (axial) by <u> / / / / / </u> in. (circumferential)	
<input checked="" type="checkbox"/> Leak ⇨ Select Type: <input type="radio"/> Pinhole <input type="radio"/> Crack <input checked="" type="radio"/> Connection Failure <input type="radio"/> Seal or Packing <input type="radio"/> Other	
<input type="checkbox"/> Rupture ⇨ Select Orientation: <input type="radio"/> Circumferential <input type="radio"/> Longitudinal <input type="radio"/> Other _____ Approx. size: <u> / / / / / </u> in. (widest opening) by <u> / / / / / </u> in. (length circumferentially or axially)	
<input type="checkbox"/> Other ⇨ Describe: _____	

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PART D – ADDITIONAL CONSEQUENCE INFORMATION	
**1. Class Location of Incident: (select only one) <input type="checkbox"/> Class 1 Location <input type="checkbox"/> Class 2 Location <input checked="" type="checkbox"/> Class 3 Location <input type="checkbox"/> Class 4 Location	
**2. Estimated cost to Operator : 2.a Estimated cost of public and non-Operator private property damage paid/reimbursed by the Operator \$ <u>1 15 10 11 0 10 10 110 10 1 1</u> 2.b Estimated cost of gas released \$ <u>1 1 1 11 11 10 10 110 10 1</u> 2.c Estimated cost of Operator's property damage & repairs \$ <u>1 1 1 11 1 1 11 1 1 1</u> 2.d Estimated cost of Operator's emergency response \$ <u>1 1 1 11 15 10 10 110 10 1</u> 2.e Estimated other costs \$ <u>1 1 1 11 1 1 11 1 1 1</u> Describe: 2.f Estimated total costs (sum of above) \$ <u>1 15 10 11 6 10 10 110 10 1 1</u>	
3. Estimated number of customers out of service: 3.a Commercial entities <u>1 11 1 10 1</u> 3.b Industrial entities <u>1 11 1 10 1</u> 3.c Residences <u>1 11 1 10 1</u>	

PART E - ADDITIONAL OPERATING INFORMATION			
**1. Estimated pressure at the point and time of the incident (psig):	<u>111101</u>		
**2. Normal operating pressure at the point and time of the incident (psig):	<u>111101</u>		
**3. Maximum Allowable Operating Pressure (MAOP) at the point and time of the incident (psig):	<u>1112101</u>		
**4. Describe the pressure on the system relating to the incident: (select only one) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Pressure did not exceed MAOP <input type="checkbox"/> Pressure exceeded MAOP, but did not exceed 110% of MAOP <input type="checkbox"/> Pressure exceeded 110% of MAOP 			
5. Was a Supervisory Control and Data Acquisition (SCADA)-based system in place on the pipeline or facility involved in the incident? <ul style="list-style-type: none"> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes ➔ 			
5.a Was it operating at the time of the incident? <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No 	5.b Was it fully functional at the time of the incident? <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No 		
5.c Did SCADA-based information (such as alarm(s), alert(s), event(s), and/or volume or pack calculations) assist with the detection of the incident? <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No 			
5.d Did SCADA-based information (such as alarm(s), alert(s), event(s), and/or volume calculations) assist with the confirmation of the incident? <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No 			
6. How was the incident initially identified for the Operator? (select only one) <table style="width: 100%; border: none;"> <tr> <td style="vertical-align: top; width: 50%;"> <input type="checkbox"/> SCADA-based information (such as alarm(s), alert(s), event(s), and/or volume or pack calculations) <input type="checkbox"/> Static Shut-In Test or Other Pressure or Leak Test <input type="checkbox"/> Controller <input type="checkbox"/> Air Patrol <input type="checkbox"/> Notification from Public <input type="checkbox"/> Notification from Third Party that caused the incident </td> <td style="vertical-align: top; width: 50%;"> <input type="checkbox"/> Local Operating Personnel, including contractors <input type="checkbox"/> Ground Patrol by Operator or its contractor <input checked="" type="checkbox"/> Notification from Emergency Responder <input type="checkbox"/> Other _____ </td> </tr> </table>		<input type="checkbox"/> SCADA-based information (such as alarm(s), alert(s), event(s), and/or volume or pack calculations) <input type="checkbox"/> Static Shut-In Test or Other Pressure or Leak Test <input type="checkbox"/> Controller <input type="checkbox"/> Air Patrol <input type="checkbox"/> Notification from Public <input type="checkbox"/> Notification from Third Party that caused the incident	<input type="checkbox"/> Local Operating Personnel, including contractors <input type="checkbox"/> Ground Patrol by Operator or its contractor <input checked="" type="checkbox"/> Notification from Emergency Responder <input type="checkbox"/> Other _____
<input type="checkbox"/> SCADA-based information (such as alarm(s), alert(s), event(s), and/or volume or pack calculations) <input type="checkbox"/> Static Shut-In Test or Other Pressure or Leak Test <input type="checkbox"/> Controller <input type="checkbox"/> Air Patrol <input type="checkbox"/> Notification from Public <input type="checkbox"/> Notification from Third Party that caused the incident	<input type="checkbox"/> Local Operating Personnel, including contractors <input type="checkbox"/> Ground Patrol by Operator or its contractor <input checked="" type="checkbox"/> Notification from Emergency Responder <input type="checkbox"/> Other _____		
6.a If "Controller", "Local Operating Personnel, including contractors", "Air Patrol", or "Ground Patrol by Operator or its contractor" is selected in Question 6, specify the following: (select only one) <ul style="list-style-type: none"> <input type="checkbox"/> Operator employee <input type="checkbox"/> Contractor working for the Operator 			
7. Was an investigation initiated into whether or not the controller(s) or control room issues were the cause of or a contributing factor to the incident? (select only one) <ul style="list-style-type: none"> <input type="checkbox"/> Yes, but the investigation of the control room and/or controller actions has not yet been completed by the operator (Supplemental Report required) <input checked="" type="checkbox"/> No, the facility was not monitored by a controller(s) at the time of the incident <input type="checkbox"/> No, the operator did not find that an investigation of the controller(s) actions or control room issues was necessary due to: (provide an explanation for why the operator did not investigate) 			
<input type="checkbox"/> Yes, Specify investigation result(s): (select all that apply) <ul style="list-style-type: none"> <input type="checkbox"/> Investigation reviewed work schedule rotations, continuous hours of service (while working for the Operator) and other factors associated with fatigue <input type="checkbox"/> Investigation did NOT review work schedule rotations, continuous hours of service (while working for the Operator) and other factors associated with fatigue (provide an explanation for why not) 			
<input type="checkbox"/> Investigation identified no control room issues <input type="checkbox"/> Investigation identified no controller issues <input type="checkbox"/> Investigation identified incorrect controller action or controller error <input type="checkbox"/> Investigation identified that fatigue may have affected the controller(s) involved or impacted the involved controller(s) response <input type="checkbox"/> Investigation identified incorrect procedures <input type="checkbox"/> Investigation identified incorrect control room equipment operation <input type="checkbox"/> Investigation identified maintenance activities that affected control room operations, procedures, and/or controller response <input type="checkbox"/> Investigation identified areas other than those above ➔ Describe: _____			

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PART F - DRUG & ALCOHOL TESTING INFORMATION	
**1. As a result of this Incident, were any Operator employees tested under the post-accident drug and alcohol testing requirements of DOT's Drug & Alcohol Testing regulations?	
<input checked="" type="radio"/> No	
<input type="radio"/> Yes ⇒ 1.a Specify how many were tested: <u>1</u> / <u>1</u> / <u>0</u> /	
1.b Specify how many failed: <u>1</u> / <u>1</u> /	
**2. As a result of this Incident, were any Operator contractor employees tested under the post-accident drug and alcohol testing requirements of DOT's Drug & Alcohol Testing regulations?	
<input type="radio"/> No	
<input checked="" type="radio"/> Yes ⇒ 2.a Specify how many were tested: <u>1</u> / <u>4</u> /	
2.b Specify how many failed: <u>1</u> / <u>0</u> /	

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PART G – APPARENT CAUSE	Select only one box from PART G in the shaded column on the left representing the APPARENT Cause of the Incident, and answer the questions on the right. Describe secondary, contributing, or root causes of the Incident in the narrative (PART H).
G1 – Corrosion Failure – **only one sub-cause can be picked from shaded left-hand column	
<input type="checkbox"/> External Corrosion	<p>**1. Results of visual examination: <input type="radio"/> Localized Pitting <input type="radio"/> General Corrosion <input type="radio"/> Other _____</p> <p>2. Type of corrosion: (select all that apply) <input type="radio"/> Galvanic <input type="radio"/> Atmospheric <input type="radio"/> Stray Current <input type="radio"/> Microbiological <input type="radio"/> Selective Seam <input type="radio"/> Other _____</p> <p>3. The type(s) of corrosion selected in Question 2 is based on the following: (select all that apply) <input type="radio"/> Field examination <input type="radio"/> Determined by metallurgical analysis <input type="radio"/> Other _____</p> <p>**4. Was the failed item buried under the ground? <input type="radio"/> Yes ⇒ 4.a Was failed item considered to be under cathodic protection at the time of the incident? <input type="radio"/> Yes ⇒ Year protection started: <u> / / / / / </u> <input type="radio"/> No 4.b Was shielding, tenting, or disbonding of coating evident at the point of the incident? <input type="radio"/> Yes <input type="radio"/> No 4.c Has one or more Cathodic Protection Survey been conducted at the point of the incident? <input type="radio"/> Yes, CP Annual Survey ⇒ Most recent year conducted: <u> / / / / / </u> <input type="radio"/> Yes, Close Interval Survey ⇒ Most recent year conducted: <u> / / / / / </u> <input type="radio"/> Yes, Other CP Survey ⇒ Most recent year conducted: <u> / / / / / </u> <input type="radio"/> No <input type="radio"/> No ⇒ 4.d Was the failed item externally coated or painted? <input type="radio"/> Yes <input type="radio"/> No</p> <p>5. Was there observable damage to the coating or paint in the vicinity of the corrosion? <input type="radio"/> Yes <input type="radio"/> No</p> <p>6. Pipeline coating type, if steel pipe is involved: (select only one) <input type="radio"/> Fusion Bonded Epoxy <input type="radio"/> Coal Tar <input type="radio"/> Asphalt <input type="radio"/> Polyolefin <input type="radio"/> Extruded Polyethylene <input type="radio"/> Field Applied Epoxy <input type="radio"/> Cold Applied Tape <input type="radio"/> Paint <input type="radio"/> Composite <input type="radio"/> None <input type="radio"/> Other _____ <input type="radio"/> Unknown</p>

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G3 – Excavation Damage – **only one sub-cause can be picked from shaded left-hand column	
<input type="checkbox"/> Excavation Damage by Operator (First Party)	
<input checked="" type="checkbox"/> Excavation Damage by Operator's Contractor (Second Party)	
<input type="checkbox"/> Excavation Damage by Third Party	
<input type="checkbox"/> Previous Damage due to Excavation Activity	<p>Complete the following ONLY if the "Part of system involved in Incident" (from PART C, Question 2) is Main, Service, or Service Riser.</p> <p>**1. Date of the most recent Leak Survey conducted: <u> </u> / <u> </u> / <u> </u> Month Day Year</p> <p>**2. Has one or more pressure test been conducted since original construction at the point of the Incident? <input type="radio"/> Yes ⇨ Most recent year tested: <u> </u> / <u> </u> / <u> </u> Test pressure (psig): <u> </u> / <u> </u> / <u> </u> / <u> </u> / <u> </u> / <u> </u> <input checked="" type="radio"/> No</p>

Complete the following if Excavation Damage by Third Party is selected.

**3. Did the operator get prior notification of the excavation activity? ☒ Yes ☐ No
3.a If Yes, Notification received from: (select all that apply) ☒ One-Call System ☐ Excavator ☒ Contractor ☐ Landowner

Complete the following mandatory CGA-DIRT Program questions if any Excavation Damage sub-cause is selected.

**4. Do you want PHMSA to upload the following information to CGA-DIRT (www.cga-dirt.com)? ☐ Yes ☒ No

**5. Right-of-Way where event occurred: (select all that apply)
☐ Public ⇨ Specify: ☐ City Street ☐ State Highway ☐ County Road ☐ Interstate Highway ☐ Other
☒ Private ⇨ Specify: ☒ Private Landowner ☐ Private Business ☐ Private Easement
☐ Pipeline Property/Easement
☐ Power/Transmission Line
☐ Railroad
☐ Dedicated Public Utility Easement
☐ Federal Land
☐ Data not collected
☐ Unknown/Other

**6. Type of excavator: (select only one)
☒ Contractor ☐ County ☐ Developer ☐ Farmer ☐ Municipality ☐ Occupant
☐ Railroad ☐ State ☐ Utility ☐ Data not collected ☐ Unknown/Other

**7. Type of excavation equipment: (select only one)
☐ Auger ☐ Backhoe/Trackhoe ☒ Boring ☐ Drilling ☐ Directional Drilling
☐ Explosives ☐ Farm Equipment ☐ Grader/Scraper ☐ Hand Tools ☐ Milling Equipment
☐ Probing Device ☐ Trencher ☐ Vacuum Equipment ☐ Data not collected ☐ Unknown/Other

**8. Type of work performed: (select only one)
☐ Agriculture ☐ Cable TV ☐ Curb/Sidewalk ☐ Building Construction ☐ Building Demolition
☐ Drainage ☐ Driveway ☐ Electric ☐ Engineering/Surveying ☐ Fencing
☐ Grading ☐ Irrigation ☐ Landscaping ☐ Liquid Pipeline ☐ Milling
☒ Natural Gas ☐ Pole ☐ Public Transit Authority ☐ Railroad Maintenance ☐ Road Work
☐ Sewer (Sanitary/Storm) ☐ Site Development ☐ Steam ☐ Storm Drain/Culvert ☐ Street Light
☐ Telecommunications ☐ Traffic Signal ☐ Traffic Sign ☐ Water ☐ Waterway Improvement
☐ Data not collected ☐ Unknown/Other

(This CGA-DIRT section continued on next page with Question 8.)

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Page 11**9. Was the One-Call Center notified? ☒ Yes ☐ No9.a If Yes, specify ticket number: 11 / 4 / 0 / 6 / 1 / 2 / - / 10 / 2 / 6 / 2 / 1 / 1 / 1 / 1 / 1 /9.b If this is a State where more than a single One-Call Center exists, list the name of the One-Call Center notified:
_____**10. Type of Locator: ☐ Utility Owner ☒ Contractor Locator ☐ Data not collected ☐ Unknown/Other**11. Were facility locate marks visible in the area of excavation? ☒ No ☐ Yes ☐ Data not collected ☐ Unknown/Other12. Were facilities marked correctly? ☒ No ☐ Yes ☐ Data not collected ☐ Unknown/Other**13. Did the damage cause an interruption in service? ☒ No ☐ Yes ☐ Data not collected ☐ Unknown/Other13.a If Yes, specify duration of the interruption: 1 / 1 / 1 / 1 / hours

14. Description of the CGA-DIRT Root Cause (select only the one predominant first level CGA-DIRT Root Cause and then, where available as a choice, the one predominant second level CGA-DIRT Root Cause as well):

☐ One-Call Notification Practices Not Sufficient: (select only one)

- ☐ No notification made to the One-Call Center
- ☐ Notification to One-Call Center made, but not sufficient
- ☐ Wrong information provided

☒ Locating Practices Not Sufficient: (select only one)

- ☐ Facility could not be found/located
- ☐ Facility marking or location not sufficient
- ☒ Facility was not located or marked
- ☐ Incorrect facility records/maps

☐ Excavation Practices Not Sufficient: (select only one)

- ☐ Excavation practices not sufficient (other)
- ☐ Failure to maintain clearance
- ☐ Failure to maintain the marks
- ☐ Failure to support exposed facilities
- ☐ Failure to use hand tools where required
- ☐ Failure to verify location by test-hole (pot-holing)
- ☐ Improper backfilling

☐ One-Call Notification Center Error☐ Abandoned Facility☐ Deteriorated Facility☐ Previous Damage☐ Data Not CollectedOther / None of the Above (explain) _____

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G4 – Other Outside Force Damage – **only one sub-cause can be selected from the shaded left-hand column	
<input type="checkbox"/> Nearby Industrial, Man-made, or Other Fire/Explosion as Primary Cause of Incident	
<input type="checkbox"/> Damage by Car, Truck, or Other Motorized Vehicle/Equipment NOT Engaged In Excavation	**1. Vehicle/Equipment operated by: (<i>select only one</i>) <input type="radio"/> Operator <input type="radio"/> Operator's Contractor <input type="radio"/> Third Party
<input type="checkbox"/> Damage by Boats, Barges, Drilling Rigs, or Other Maritime Equipment or Vessels Set Afloat or Which Have Otherwise Lost Their Mooring	**2. Select one or more of the following IF an extreme weather event was a factor: <input type="radio"/> Hurricane <input type="radio"/> Tropical Storm <input type="radio"/> Tornado <input type="radio"/> Heavy Rains/Flood <input type="radio"/> Other _____
<input type="checkbox"/> Routine or Normal Fishing or Other Maritime Activity NOT Engaged In Excavation	
<input type="checkbox"/> Electrical Arcing from Other Equipment or Facility	
<input type="checkbox"/> Previous Mechanical Damage NOT Related to Excavation	Complete the following ONLY if the "Part of system involved in incident" (from PART C, Question 2) is Main, Service, or Service Riser. **3. Date of the most recent Leak Survey conducted: / / / / / / Month Day Year **4. Has one or more pressure test been conducted since original construction at the point of the incident? <input type="radio"/> Yes → Most recent year tested: / / / / / Test pressure (psig): / / / / / / <input type="radio"/> No
<input type="checkbox"/> Intentional Damage	5. Specify: <input type="radio"/> Vandalism <input type="radio"/> Terrorism <input type="radio"/> Theft of transported commodity <input type="radio"/> Theft of equipment <input type="radio"/> Other _____
<input type="checkbox"/> Other Outside Force Damage	**6. Describe: _____

G5 – Pipe, Weld, or Joint Failure – **only one sub-cause can be selected from the shaded left-hand column	
<input type="checkbox"/> Body of Pipe	1. Specify: <input type="radio"/> Dent <input type="radio"/> Gouge <input type="radio"/> Bend <input type="radio"/> Arc Burn <input type="radio"/> Crack <input type="radio"/> Other _____
<input type="checkbox"/> Butt Weld	2. Specify: <input type="radio"/> Pipe <input type="radio"/> Fabrication <input type="radio"/> Other _____
<input type="checkbox"/> Fillet Weld	3. Specify: <input type="radio"/> Branch <input type="radio"/> Hot Tap <input type="radio"/> Filing <input type="radio"/> Repair Sleeve <input type="radio"/> Other _____
<input type="checkbox"/> Pipe Seam	4. Specify: <input type="radio"/> LF ERW <input type="radio"/> DSAW <input type="radio"/> Flash Weld <input type="radio"/> HF ERW <input type="radio"/> SAW <input type="radio"/> Spiral <input type="radio"/> Other _____
<input type="checkbox"/> Threaded Metallic Pipe	
<input type="checkbox"/> Mechanical Fitting	<p>5. Specify the mechanical fitting involved: <input type="radio"/> Stub type fitting <input type="radio"/> Nut follower type fitting <input type="radio"/> Bolted type fitting <input type="radio"/> Other _____</p> <p>6. Specify the type of mechanical fitting: <input type="radio"/> Service Tee <input type="radio"/> Coupling <input type="radio"/> Service Head Adapter <input type="radio"/> Basement Adapter <input type="radio"/> Riser <input type="radio"/> Elbow <input type="radio"/> Other _____</p> <p>7. Manufacturer: _____</p> <p>8. Year manufactured: ____/____/____</p> <p>9. Year installed: ____/____/____</p> <p>10. Other attributes: _____</p> <p>11. Specify the two materials being joined:</p> <p>11.a First material being joined: <input type="checkbox"/> Steel <input type="checkbox"/> Cast/Wrought Iron <input type="checkbox"/> Ductile Iron <input type="checkbox"/> Copper <input type="checkbox"/> Plastic <input type="checkbox"/> Unknown <input type="checkbox"/> Other ⇒ Specify: _____</p> <p>11.b If Plastic ⇒ Specify: <input type="radio"/> Polyvinyl Chloride (PVC) <input type="radio"/> Polyethylene (PE) <input type="radio"/> Cross-linked Polyethylene (PEX) <input type="radio"/> Polybutylene (PB) <input type="radio"/> Polypropylene (PP) <input type="radio"/> Acrylonitrile Butadiene Styrene (ABS) <input type="radio"/> Polyamide (PA) <input type="radio"/> Cellulose Acetate Butyrate (CAB) <input type="radio"/> Other ⇒ Specify: _____</p> <p>11.c Second material being joined: <input type="checkbox"/> Steel <input type="checkbox"/> Cast/Wrought Iron <input type="checkbox"/> Ductile Iron <input type="checkbox"/> Copper <input type="checkbox"/> Plastic <input type="checkbox"/> Unknown <input type="checkbox"/> Other ⇒ Specify: _____</p> <p>11.d If Plastic ⇒ Specify: <input type="radio"/> Polyvinyl Chloride (PVC) <input type="radio"/> Polyethylene (PE) <input type="radio"/> Cross-linked Polyethylene (PEX) <input type="radio"/> Polybutylene (PB) <input type="radio"/> Polypropylene (PP) <input type="radio"/> Acrylonitrile Butadiene Styrene (ABS) <input type="radio"/> Polyamide (PA) <input type="radio"/> Cellulose Acetate Butyrate (CAB) <input type="radio"/> Other ⇒ Specify: _____</p> <p>12. If used on plastic pipe, did the fitting – as designed by the manufacturer – include restraint? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown</p> <p>12.a If Yes, specify: <input type="radio"/> Cal. I <input type="radio"/> Cal. II <input type="radio"/> Cal. III <input type="radio"/> DOT 192.283</p>

Exhibit 1

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<input type="checkbox"/> Compression Fitting	<p>13. Fitting type: _____</p> <p>14. Manufacturer: _____</p> <p>15. Year manufactured: <u> / / </u></p> <p>16. Year installed: <u> / / </u></p> <p>17. Other attributes: _____</p> <p>18. Specify the two materials being joined:</p> <p>18.a First material being joined:</p> <p><input type="checkbox"/> Steel <input type="checkbox"/> Cast/Wrought Iron</p> <p><input type="checkbox"/> Ductile Iron <input type="checkbox"/> Copper <input type="checkbox"/> Plastic</p> <p><input type="checkbox"/> Unknown</p> <p><input type="checkbox"/> Other ⇒ Specify: _____</p> <p>18.b If Plastic ⇒ Specify: <input type="radio"/> Polyvinyl Chloride (PVC) <input type="radio"/> Polyethylene (PE)</p> <p><input type="radio"/> Cross-linked Polyethylene (PEX) <input type="radio"/> Polybutylene (PB)</p> <p><input type="radio"/> Polypropylene (PP) <input type="radio"/> Acrylonitrile Butadiene Styrene (ABS)</p> <p><input type="radio"/> Polyamide (PA) <input type="radio"/> Cellulose Acetate Butyrate (CAB)</p> <p><input type="radio"/> Other ⇒ Specify: _____</p> <p>18.c Second material being joined:</p> <p><input type="checkbox"/> Steel <input type="checkbox"/> Cast/Wrought Iron</p> <p><input type="checkbox"/> Ductile Iron <input type="checkbox"/> Copper <input type="checkbox"/> Plastic</p> <p><input type="checkbox"/> Unknown</p> <p><input type="checkbox"/> Other ⇒ Specify: _____</p> <p>18.d If Plastic ⇒ Specify: <input type="radio"/> Polyvinyl Chloride (PVC) <input type="radio"/> Polyethylene (PE)</p> <p><input type="radio"/> Cross-linked Polyethylene (PEX) <input type="radio"/> Polybutylene (PB)</p> <p><input type="radio"/> Polypropylene (PP) <input type="radio"/> Acrylonitrile Butadiene Styrene (ABS)</p> <p><input type="radio"/> Polyamide (PA) <input type="radio"/> Cellulose Acetate Butyrate (CAB)</p> <p><input type="radio"/> Other ⇒ Specify: _____</p>
<input type="checkbox"/> Fusion Joint	<p>19. Specify: <input type="radio"/> Butt, Heat Fusion <input type="radio"/> Butt, Electrofusion <input type="radio"/> Saddle, Heat Fusion</p> <p><input type="radio"/> Saddle, Electrofusion <input type="radio"/> Socket, Heat Fusion <input type="radio"/> Socket, Electrofusion</p> <p><input type="radio"/> Other: _____</p> <p>20. Year installed: <u> / / </u></p> <p>21. Other attributes: _____</p> <p>22. Specify the two materials being joined:</p> <p>22.a First material being joined:</p> <p><input type="radio"/> Polyvinyl Chloride (PVC) <input type="radio"/> Polyethylene (PE)</p> <p><input type="radio"/> Cross-linked Polyethylene (PEX) <input type="radio"/> Polybutylene (PB)</p> <p><input type="radio"/> Polypropylene (PP) <input type="radio"/> Acrylonitrile Butadiene Styrene (ABS)</p> <p><input type="radio"/> Polyamide (PA) <input type="radio"/> Cellulose Acetate Butyrate (CAB)</p> <p><input type="radio"/> Other ⇒ Specify: _____</p> <p>22.b Second material being joined:</p> <p><input type="radio"/> Polyvinyl Chloride (PVC) <input type="radio"/> Polyethylene (PE)</p> <p><input type="radio"/> Cross-linked Polyethylene (PEX) <input type="radio"/> Polybutylene (PB)</p> <p><input type="radio"/> Polypropylene (PP) <input type="radio"/> Acrylonitrile Butadiene Styrene (ABS)</p> <p><input type="radio"/> Polyamide (PA) <input type="radio"/> Cellulose Acetate Butyrate (CAB)</p> <p><input type="radio"/> Other ⇒ Specify: _____</p>
<input type="checkbox"/> Other Pipe, Weld, or Joint Failure	<p>**23. Describe: _____</p>

Exhibit 1

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Complete the following if any Pipe, Weld, or Joint Failure sub-cause is selected.

24. Additional Factors: (select all that apply) ☐ Dent ☐ Gouge ☐ Pipe Bend ☐ Arc Burn ☐ Crack ☐ Lack of Fusion
☐ Lamination ☐ Buckle ☐ Wrinkle ☐ Misalignment ☐ Burnt Steel
☐ Other _____
25. Was the Incident a result of:
☐ Construction defect, specify: \Rightarrow ☐ Poor workmanship ☐ Procedure not followed ☐ Poor construction/installation procedures
☐ Material defect, specify: \Rightarrow ☐ Long seam ☐ Other _____
☐ Design defect
☐ Previous damage
26. Has one or more pressure test been conducted since original construction at the point of the Incident?
☐ Yes \Rightarrow Most recent year tested: / / / / Test pressure (psig): / / / /
☐ No

G6 – Equipment Failure – **only one sub-cause can be selected from the shaded left-hand column

<input type="checkbox"/> Malfunction of Control/Relief Equipment	**1. Specify: (select all that apply) <input type="radio"/> Control Valve <input type="radio"/> Instrumentation <input type="radio"/> SCADA <input type="radio"/> Communications <input type="radio"/> Block Valve <input type="radio"/> Check Valve <input type="radio"/> Relief Valve <input type="radio"/> Power Failure <input type="radio"/> Stopple/Control Fitting <input type="radio"/> Pressure Regulator <input type="radio"/> Other _____
<input type="checkbox"/> Threaded Connection Failure	**2. Specify: <input type="radio"/> Pipe Nipple <input type="radio"/> Valve Threads <input type="radio"/> Threaded Pipe Collar <input type="radio"/> Threaded Fitting <input type="radio"/> Other _____
<input type="checkbox"/> Non-threaded Connection Failure	**3. Specify: <input type="radio"/> O-Ring <input type="radio"/> Gasket <input type="radio"/> Other Seal or Packing <input type="radio"/> Other _____
<input type="checkbox"/> Valve	4. Specify: <input type="radio"/> Manufacturing defect <input type="radio"/> Other _____ 4.a Valve type: _____ 4.b Manufactured by: _____ 4.c Year manufactured: <u> / / / / </u>
<input type="checkbox"/> Other Equipment Failure	**5. Describe: _____ _____

Exhibit 1

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G7 – Incorrect Operation – **only one sub-cause can be selected from the shaded left-hand column	
<input type="checkbox"/> Damage by Operator or Operator's Contractor NOT Related to Excavation and NOT due to Motorized Vehicle/Equipment Damage	
<input type="checkbox"/> Valve Left or Placed in Wrong Position, but NOT Resulting in an Overpressure	
<input type="checkbox"/> Pipeline or Equipment Overpressured	
<input type="checkbox"/> Equipment Not Installed Properly	
<input type="checkbox"/> Wrong Equipment Specified or Installed	
<input type="checkbox"/> Other Incorrect Operation	**1. Describe: _____
<p>Complete the following if any Incorrect Operation sub-cause is selected.</p> <p>2. Was this incident related to: (select all that apply)</p> <p><input type="radio"/> Inadequate procedure</p> <p><input type="radio"/> No procedure established</p> <p><input type="radio"/> Failure to follow procedure</p> <p><input type="radio"/> Other: _____</p> <p>**3. What category type was the activity that caused the incident:</p> <p><input type="radio"/> Construction</p> <p><input type="radio"/> Commissioning</p> <p><input type="radio"/> Decommissioning</p> <p><input type="radio"/> Right-of-Way activities</p> <p><input type="radio"/> Routine maintenance</p> <p><input type="radio"/> Other maintenance</p> <p><input type="radio"/> Normal operating conditions</p> <p><input type="radio"/> Non-routine operating conditions (abnormal operations or emergencies)</p> <p>4. Was the task(s) that led to the incident identified as a covered task in your Operator Qualification Program? <input type="radio"/> Yes <input type="radio"/> No</p> <p>4.a If Yes, were the individuals performing the task(s) qualified for the task(s)?</p> <p><input type="radio"/> Yes, they were qualified for the task(s)</p> <p><input type="radio"/> No, but they were performing the task(s) under the direction and observation of a qualified individual</p> <p><input type="radio"/> No, they were not qualified for the task(s) nor were they performing the task(s) under the direction and observation of a qualified individual</p>	
G8 – Other Incident Cause – only one sub-cause can be selected from the shaded left-hand column	
<input type="checkbox"/> Miscellaneous	**1. Describe: _____
<input type="checkbox"/> Unknown	<p>**2. Specify: <input type="radio"/> Investigation complete, cause of incident unknown</p> <p><input type="radio"/> Still under investigation, cause of incident to be determined* (*Supplemental Report required)</p>

Exhibit 2

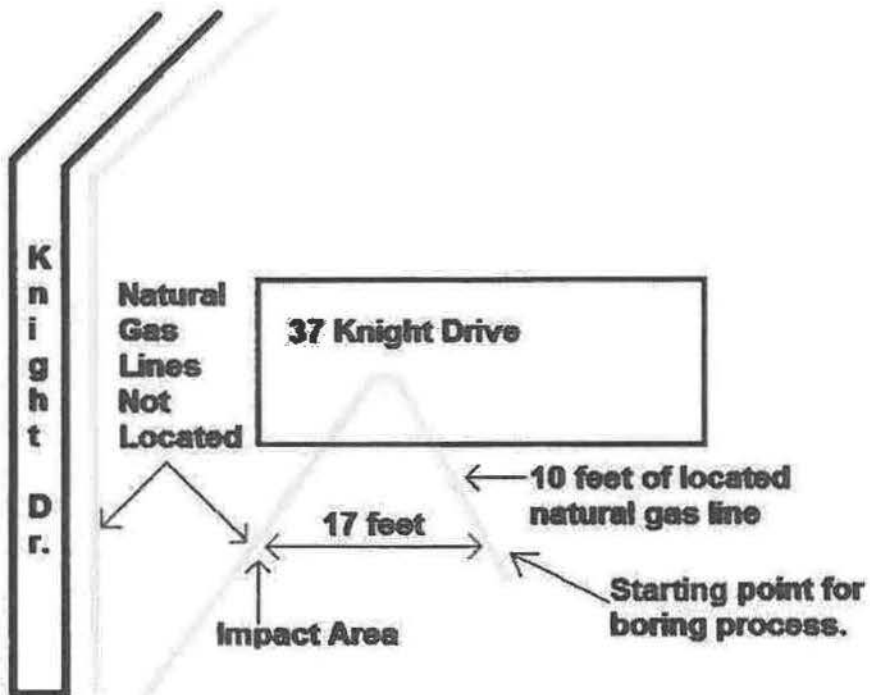


Exhibit 3



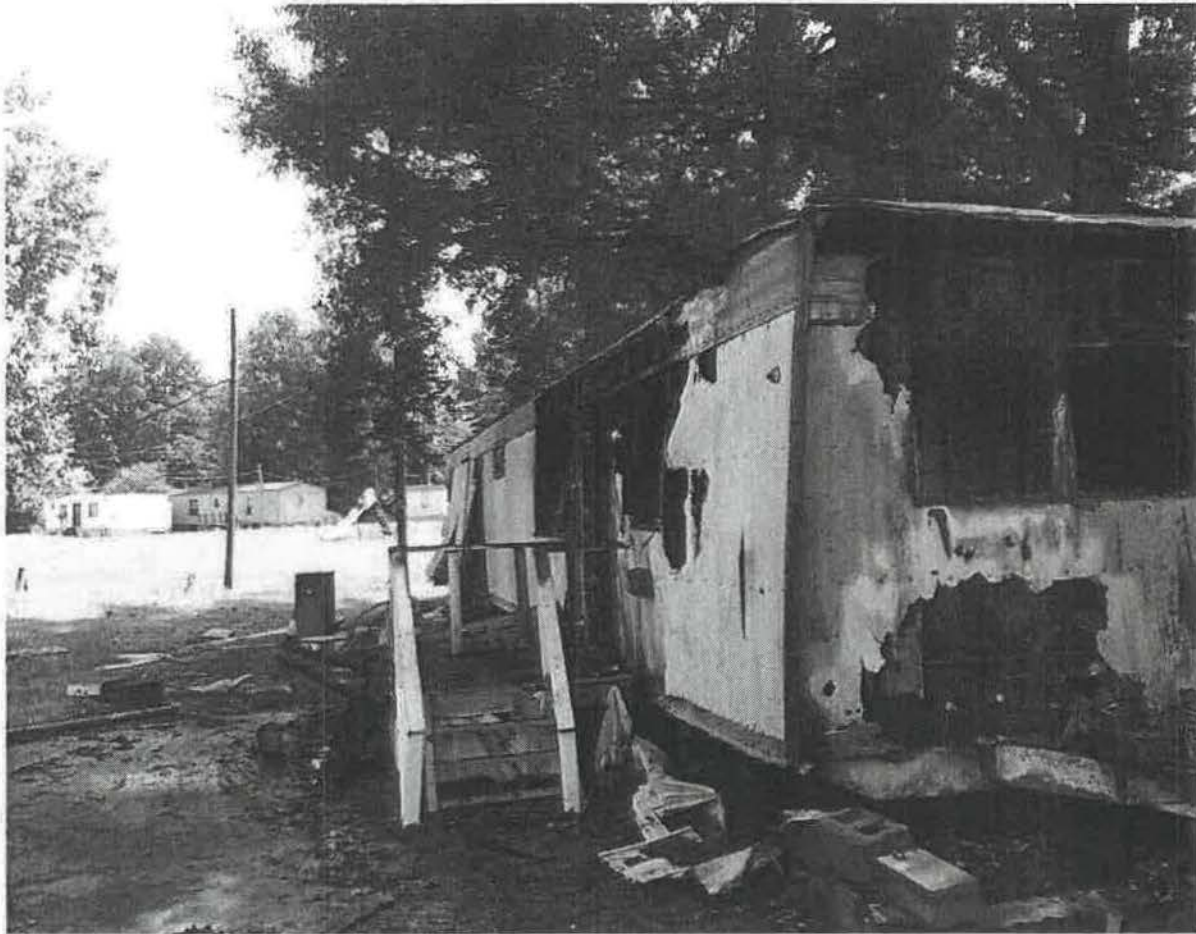
Photographer:	Larry Eslick
Description:	Gas pipe going under trailer on West side.
Location :	#57 Knight Drive NLR
Witness:	Jason Donham
Date:	8/25/14

Exhibit 4



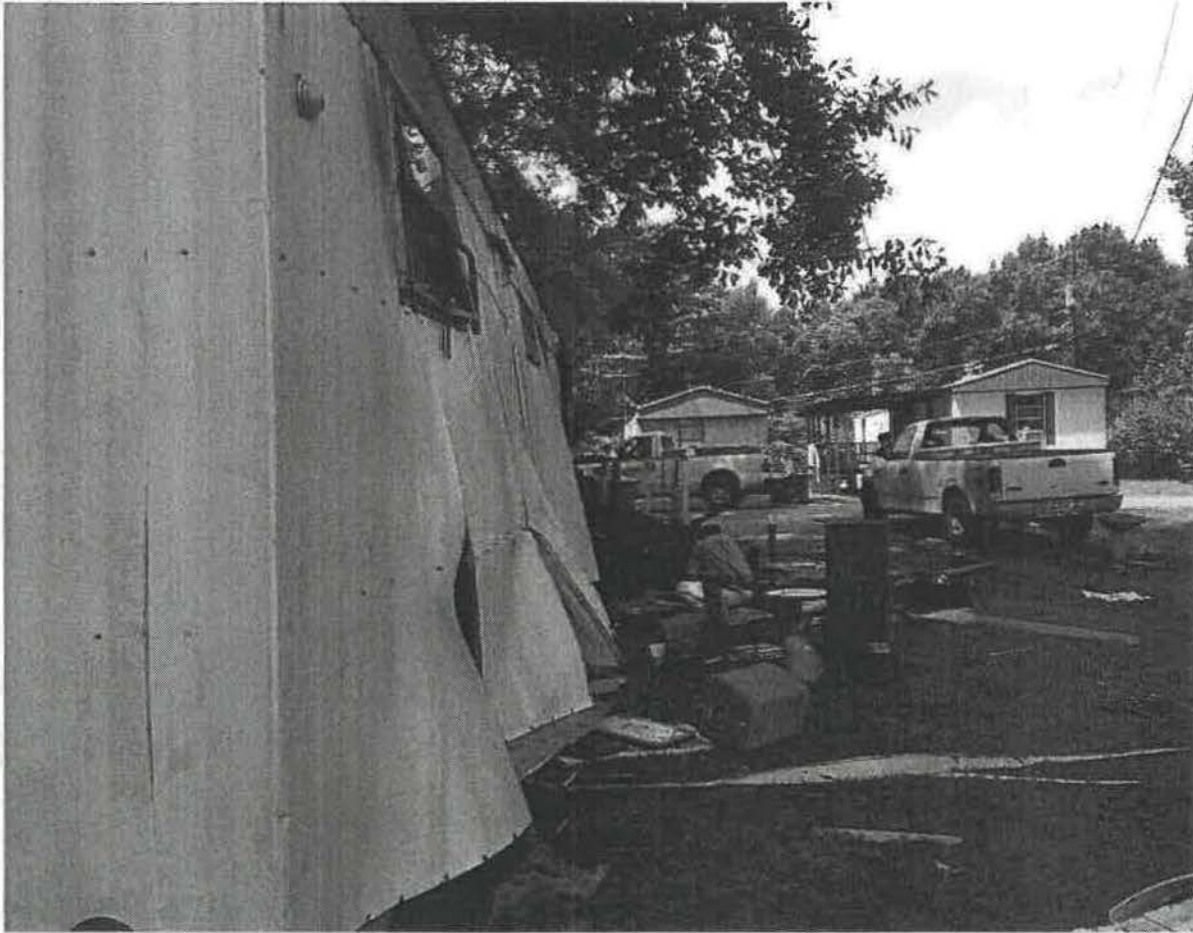
Photographer:	Larry Eslick
Description:	West side of trailer, living area
Location:	#57 Knight Drive NLR
Witness:	Jason Donham
Date:	8/25/14

Exhibit 5



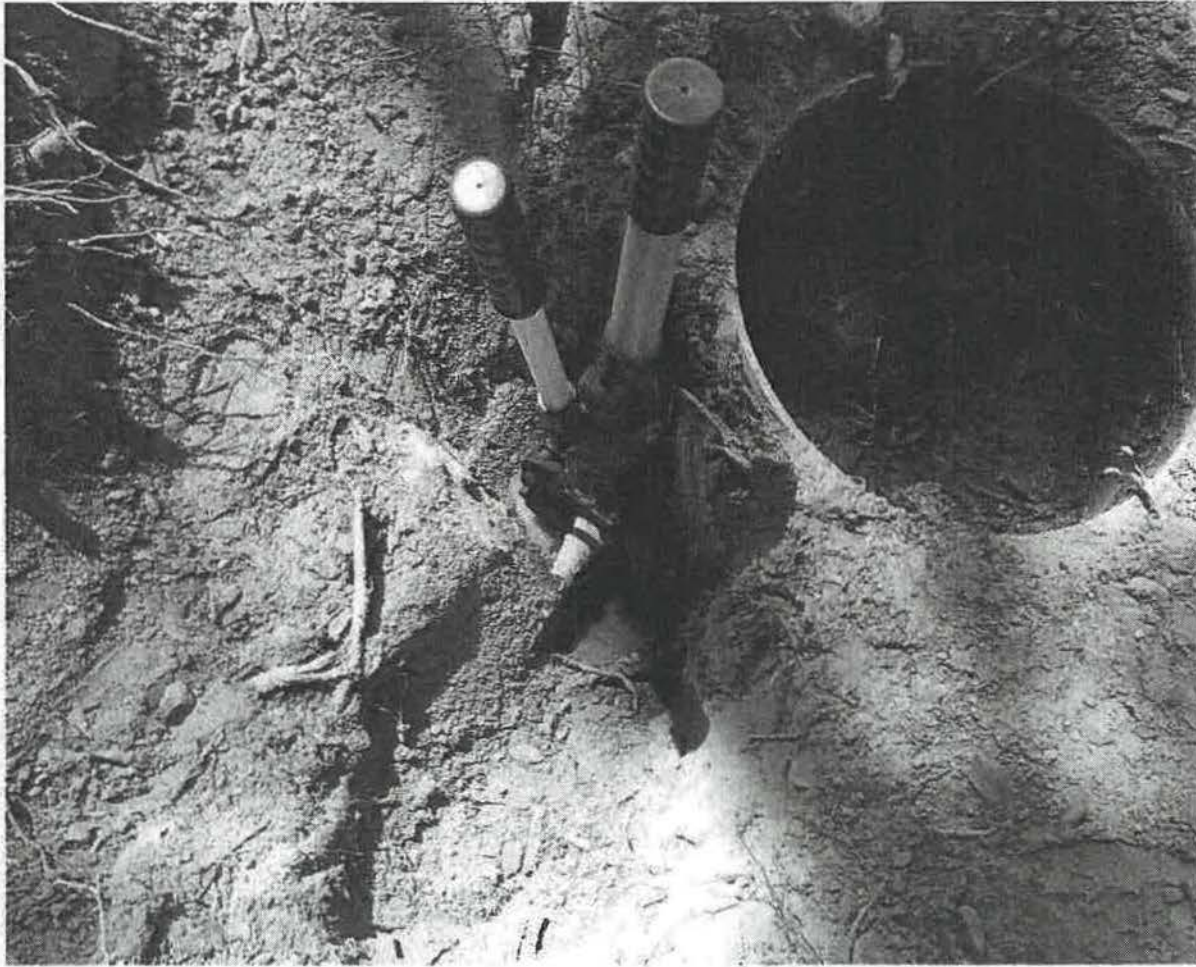
Photographer:	Larry Eslick
Description:	NE corner looking south
Location:	#57 Knight Drive NLR
Witness:	Jason Donham
Date:	8/25/14

Exhibit 6



Photographer:	Larry Eslick
Description:	SE corner looking north (east side of trailer)
Location :	#57 Knight Drive NLR
Witness:	Jason Donham
Date:	8/25/14

Exhibit 7



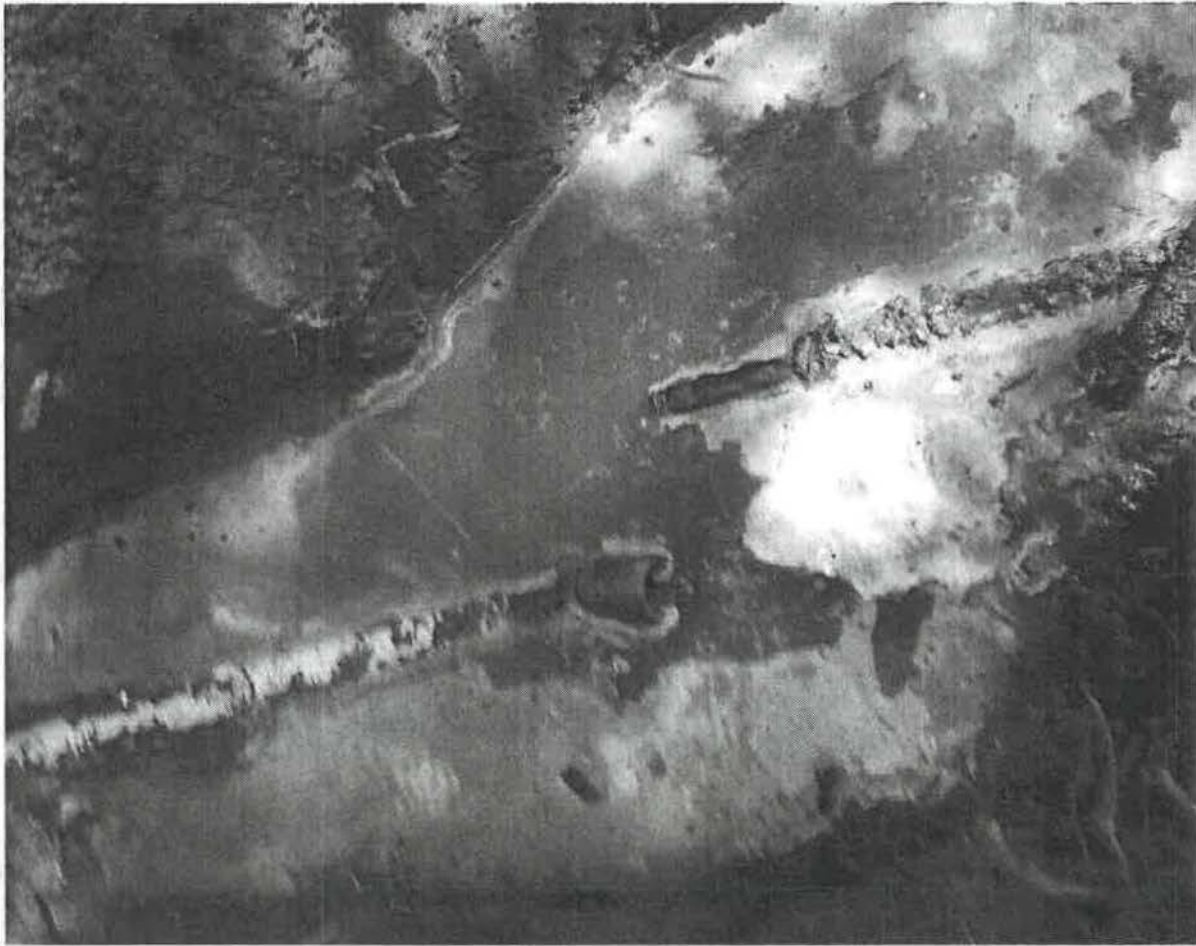
Photographer:	Larry Eslick
Description:	Squeeze off tool used to stop gas flow to leak
Location:	#57 Knight Drive NLR
Witness:	Jason Donham
Date:	8/25/14

Exhibit 8



Photographer:	Larry Eslick
Description:	Gas pipe damaged by boring tool
Location:	#57 Knight Drive, NLR
Witness:	Jason Donham
Date:	8/25/14

Exhibit 9



Photographer:	Larry Eslick
Description:	Gas line pulled apart by boring tool (leak)
Location:	#57 Knight Drive, NLR
Witness:	Jason Donham
Date:	8/25/14

Exhibit 10



Photographer:	Larry Eslick
Description:	Boring tool that caused damage to gas line
Location:	#57 Knight Drive, NLR
Witness:	Jason Donham
Date:	8/25/14

TICKET 140812-0648

EXHIBIT 11
Page 1 of 9

Compliance:	Compliant:	By:	pjohnson	GEOGRAPHIC LOCATION	
Source:	email	Hours Notice:	48	EATITUDE	LONGITUDE
Type:	Normal	Date:	Aug. 12, 2014, 10:57 am.	34.766178	-92.205136
				34.766178	-92.205136

RESPONSE STATUS AS OF AUGUST 25TH, 2014 13:55

STATUS	CODE	NAME	FACILITIES:
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COMPANY INFORMATION

SMITHSON TRENCHING
1623 E. 20TH STREET
PITTSBURG, KS 66762

Type: Contractor
Caller Name: JENNIFER
Caller Phone: (620) 704-1398
Caller Email:
Callback: (620) 704-1397

Phone: (620) 704-1398 Fax: (620) 231-6295
Contact: DUSTIN MARKLEY Phone: (620) 704-2804
Contact Email: JSMITHSON@COX.NET

WORK INFORMATION

State: AR Work Date: Aug. 14, 2014, 11 am.
County: PULASKI Done For: ATT
Place: NORTH LITTLE Street: 52 KNIGHT DR
ROCK Intersection: E BROADWAY ST
Extent: 1 HOUR

TELEPHONE:
INSTALL
DROP(S)
Type:
Explosives: False
Directional Boring: False
Whiteline: False

DRIVING DIRECTIONS

MARK FROM TELEPHONE SERVICE PED TO HOUSE - APPX 100' -

REMARKS

GRIDS

MEMBERS

CODE	NAME	ADDED MANUALLY?
ATT01	AT&T ARKANSAS - ATT01	False
CENARWTN	CENTRAL ARKANSAS WATER - NORTH - CENARWTN	False
REARC119	CENTERPOINT ENERGY ARKLA - PULASKI - REARC119	False

EXHIBIT 11
Page 2 of 9

TICKET 140812-0262

Compliance	Compliant	By:	kmccray	GEOGRAPHIC LOCATION	
Source:	Voice	Hours Notice:	48	LATITUDE	LONGITUDE
Type:	Renewal	Date:	Aug. 12, 2014, 9:14 a.m.	34.764241	-92.205472
				34.766161	-92.204152

RESPONSE STATUS AS OF AUGUST 25TH, 2014 13:55

STATUS	CODE	NAME	FACILITIES
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COMPANY INFORMATION

JF CONST OF ARK
510 E PRATT RD
LITTLE ROCK, AR 72206

Phone: (501) 907-5702 Fax: (501) 907-5704
Contact: RALPH MORENO Phone: (501) 952-9273
Contact Email: ralph@jfconinc.com

Type: Contractor
Caller Name: RALPH MORENO
Caller Phone: (501) 952-9273
Caller Email:
Callback: (501) 952-9273
FAX COPY

WORK INFORMATION

State:	AR	Work Date:	Aug. 14, 2014, 9:15 a.m.	Type:	GAS, REPLACE MAIN & SERVICE(S)
County:	PULASKI	Done For:	CENTERPOINT	Explosives:	False
Place:	NORTH LITTLE ROCK	Street:	KNIGHT DR	Directional Boring:	True
		Intersection:	E BROADWAY ST	Whiteline:	True
		Extent:	3 WKS		

DRIVING DIRECTIONS

START AT INT - EXTEND N - BOTH SIDES OF RD - FOLLOWING RD FOR THE LENGTH OF RD - APPX .3 MI
NORTH LITTLE ROCK WASTEWATER ADDED PER CALLER REQ - NOT IN AREA TO BE NOTIFIED

RENEWAL REQ - STILL WORKING IN AREA

REMARKS

GRIDS

MEMBERS

CODE	NAME	ADDED MANUALLY?
ATT01	AT&T ARKANSAS - ATT01	False
ALLTEL	WINDSTREAM OF ARKANSAS - ALLTEL	False
NLRWW	NORTH LITTLE ROCK WASTE WATER	True

EXHIBIT 11
Page 3 of 9

CENARWTN CENTRAL ARKANSAS WATER - NORTH - CENARWTN

False

NLRELEC NORTH LITTLE ROCK ELECTRIC

False

REARCT19 CENTERPOINT ENERGY ARKLA - PULASKI - REARCT19

False

EXHIBIT 11
Page 4 of 9

TICKET 140723-0044

Compliance	NonCompliant	By:	tchillers	GEOGRAPHIC LOCATION	
Source:	Voice	Hours Notice:	8	LATITUDE	LONGITUDE
Type	Normal	Date	July 23, 2014, 7:31 am.	34.766241	92.205472
				34.766161	-92.204152

RESPONSE STATUS AS OF AUGUST 25TH, 2014 13:55

STATUS	CODE	NAME	FACILITIES
--------	------	------	------------

COMPANY INFORMATION

JF CONST OF ARK
530 E PRATT RD
LITTLE ROCK, AR 72206

Type: Contractor
Caller Name: RALPH MORENO
Caller Phone: (501) 952-9273
Caller Email:
Callback: (501) 952-9273
FAX COPY

Phone: (501) 907-5702 Fax: (501) 907-5704
Contact: RALPH MORENO Phone: (501) 952-9273
Contact Email: ralph@jfconinc.com

WORK INFORMATION

State: AR Work Date: July 23, 2014, 3:30 p.m.
County: PULASKI Done For: CENTERPOINT
Place: NORTH LITTLE ROCK Street: KNIGHT DR
Intersection: E BROADWAY ST
Extent: 3 WKS

Type: GAS,
REPLACE,
MAIN &
SERVICE(S)
Explosives: False
Directional Boring: True
Whitelined: True

DRIVING DIRECTIONS

START AT INT - EXTEND N - BOTH SIDES OF RD - FOLLOWING RD FOR THE LENGTH OF RD - APPX .3 MI
NORTH LITTLE ROCK WASTEWATER ADDED PER CALLER REQ - NOT IN AREA TO BE NOTIFIED

REMARKS

GRIDS

MEMBERS

CODE	NAME	ADDED MANUALLY?
ATT01	AT&T ARKANSAS - ATT01	False
ALLTEL	WINDSTREAM OF ARKANSAS - ALLTEL	False
NLRWW	NORTH LITTLE ROCK WASTE WATER	True

EXHIBIT 11
Page 5 of 9 False

CENARWTN CENTRAL ARKANSAS WATER - NORTH - CENARWTN

NLRELEC NORTH LITTLE ROCK ELECTRIC

False

REARC119 CENTERPOINT ENERGY ARKLA - PULASKI - REARC119

False

TICKET 140721-1254

EXHIBIT 11
Page 6 of 9

Compliance	Compliant	By:	sglueck	GEOGRAPHIC LOCATION	
Source:	Voice	Hours Notice	48	LATITUDE	LONGITUDE
Type:	Normal	Date:	July 21, 2014, 3:24 p.m.	34.764241	-92.205472
				34.766161	-92.204152

RESPONSE STATUS AS OF AUGUST 25TH, 2014 13:56

STATUS	CODE	NAME	FACILITIES
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COMPANY INFORMATION

JF CONST OF ARK
510 E PRATT RD
LITTLE ROCK, AR 72206

Type: Contractor
 Caller Name: RALPH MORENO
 Caller Phone: (501) 952-9273
 Caller Email:
 Callback: (501) 952-9273
 FAX COPY

Phone: (501) 907-5702 Fax: (501) 907-5704
 Contact: RALPH MORENO Phone: (501) 952-9273
 Contact Email: ralph@jfconinc.com

WORK INFORMATION

State: AR	Work Date: July 23, 2014, 3:30 p.m.	Type: GAS, REPLACE MAIN & SERVICE(S)
County: PULASKI	Done For: CENTERPOINT	
Place: NORTH LITTLE ROCK	Street: KNIGHT DR	Explosives: False
	Intersection: E BROADWAY ST	Directional Boring: True
	Extent: 3 WKS	Whitelined: True

DRIVING DIRECTIONS

START AT INT - EXTEND N - BOTH SIDES OF RD - FOLLOWING RD FOR THE LENGTH OF RD - APPX .3 MI

REMARKS

GRIDS

MEMBERS

CODE	NAME	ADDED MANUALLY?
ATT01	AT&T ARKANSAS - ATT01	False
ALLTEL	WINDSTREAM OF ARKANSAS - ALLTEL	False
CENARWTN	CENTRAL ARKANSAS WATER - NORTH - CENARWTN	False
NWRELEC	NORTH LITTLE ROCK ELECTRIC	False

EXHIBIT 11
Page 7 of 9

REARCT19 CENTERPOINT ENERGY ARKLA - PULASKI - REARCT19

False

EXHIBIT 11
Page 8 of 9

TICKET 140717-0317

Compliance:	Compliant	By:	hnmurph	GEOGRAPHIC LOCATION	
Source:	Voice	Hours Notice:	48	LATITUDE	LONGITUDE
Type:	Normal	Date:	July 17, 2014, 9:27 a.m.	34.765993	-92.204666
				34.765993	-92.204666

RESPONSE STATUS AS OF AUGUST 25TH, 2014 13:56

STATUS	CODE	NAME	FACILITIES
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COMPANY INFORMATION
3M ENVIROMENTAL CONSTRUCTION
220 E 44TH ST
NORTH LITTLE ROCK, AR 72117

Phone:	(501) 352-0431	Fax:	(501) 945-0994
Contact:	RYAN MCKINNEY	Phone:	(501) 352-0431
Contact Email:			

Type:	Contractor
Caller Name:	RYAN MCKINNEY
Caller Phone:	(501) 352-0431
Caller Email:	
Callback:	

WORK INFORMATION

State:	AR	Work Date:	July 21, 2014, 9:30 a.m.	Type:	TELEPHONE,
County:	PULASKI	Done For:	AT&T		INSTALL
Place:	NORTH LITTLE ROCK	Street:	27 KNIGHT DR	Explosives:	False
		Intersection:	E BROADWAY ST	Directional Boring:	False
		Extent:	1 HR+	Whiteline:	True

DRIVING DIRECTIONS

WORKING APPX 0.18 MI N/E OF INT WITH E BROADWAY ST - START AT TERM RB 3 TOWN AND COUNTY TRLR PARK - EXTEND TO ADDR - APPX 100' -

NOTES: BURY DROP FROM RB 65 TO PED RB 67 -

REMARKS

GRIDS

MEMBERS

CODE	NAME	ADDED MANUALLY?
ATT01	AT&T ARKANSAS - ATT01	False
ALLTEL	WINDSTREAM OF ARKANSAS - ALLTEL	False
CENARWTN	CENTRAL ARKANSAS WATER - NORTH - CENARWTN	False

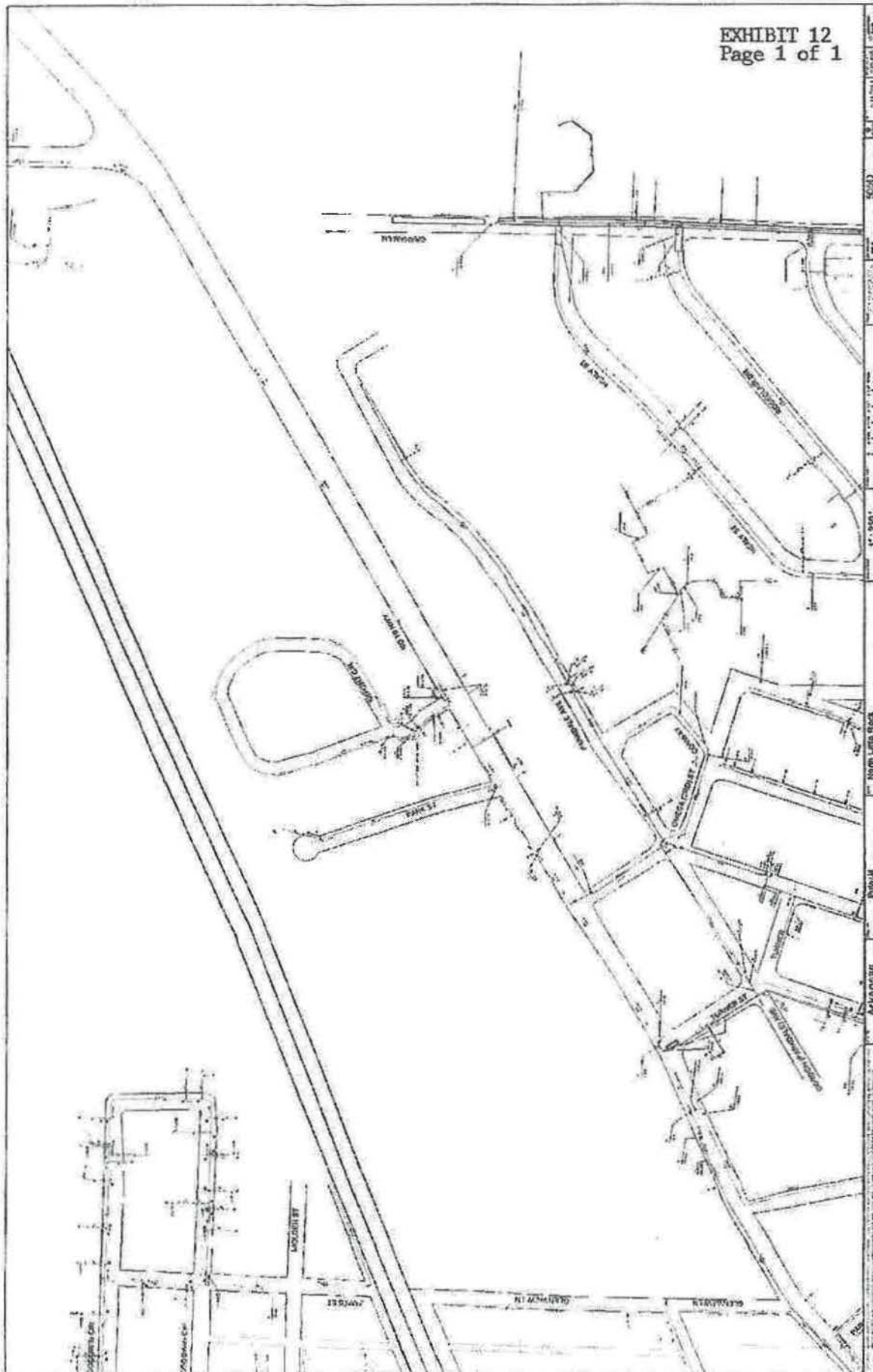
EXHIBIT 11

Page 9 of 9 False

NLRELEC NORTH LITTLE ROCK ELECTRIC

REARC119 CENTERPOINT ENERGY ARKLA - PULASKI - REARC119

False



Equipment	Description	Date	Meas/TotCtrRdg	CharactUnit
10398376	ODRCN Hwy-70 @ Harris Rd	02/21/2014	0.33	%
10398376	ODRCN Hwy-70 @ Harris Rd	05/21/2014	0.25	%
10398376	ODRCN Hwy-70 @ Harris Rd	08/19/2014	0.25	%

EXHIBIT 13
Page 2 of 2

CNP 320813 (7-2003) Page 1 of 2

CenterPoint Energy

ODORANT CONCENTRATION TEST FORM

Instructions on reverse side.

HEADING			
(1) ODORIZER I.D. NUMBER(S) Ref # 0705637			
(2) LOCATION OF TEST 33 Knight Dr. NLR AR			
(3) INSTRUMENT USED HeathTech Odorator		(4) SERIAL NUMBER 2781	
(5) NAME AND TYPE OF ODORANT Sentinel E		(6) INJECTION RATE 1.5 <input checked="" type="checkbox"/> LB / MMCF <input type="checkbox"/> GAL / MMCF	
(7) DISTANCE FROM ODORIZER 35 miles		(8) TEST DATE 12/30/13	
		(9) TEST TIME 120 <input type="checkbox"/> AM <input checked="" type="checkbox"/> PM	

METER METHOD	
(1) SIGNATURE OF TESTER Gary Bolloch Day Bullard	
WITNESS Larry Eslick PSC	WITNESS Travis Adams CNP
(2) ODOR CONCENTRATION METER TEST ((B x D)) equal percentage of gas in air. Should be less than 1%. 0.24	
(A) ODORANT CONCENTRATION METER READING WHEN GAS ODOR DETECTED <input type="checkbox"/> GLASS <input type="checkbox"/> STEEL FLOAT	
(B) PERCENTAGE GAS IN AIR, ODORANT CONCENTRATION METER	
(C) SPECIFIC GRAVITY OF GAS TESTED 0.6	(D) CORRECTION FACTOR FOR GRAVITY

ROOM TEST METHOD			
(1) SIGNATURES OF TEST WITNESS		(3) METER VOLUME OF GAS	
(2) SIGNATURE OF TESTER		TESTER'S METER VOLUME OF GAS	
METER READING		(E) VOLUME OF TEST ROOM	
BEGINNING CUBIC FEET	ENDING CUBIC FEET	(L x W x H) CUBIC FEET	
(F) VOLUME OF FURNITURE (See I)		(G) NET VOLUME OF ROOM (E - F)	
CUBIC FEET		CUBIC FEET	
(H) AVERAGE METERED VOLUME OF GAS		ROOM TEST ((H x G x 100)	
CUBIC FEET		% GAS IN AIR	

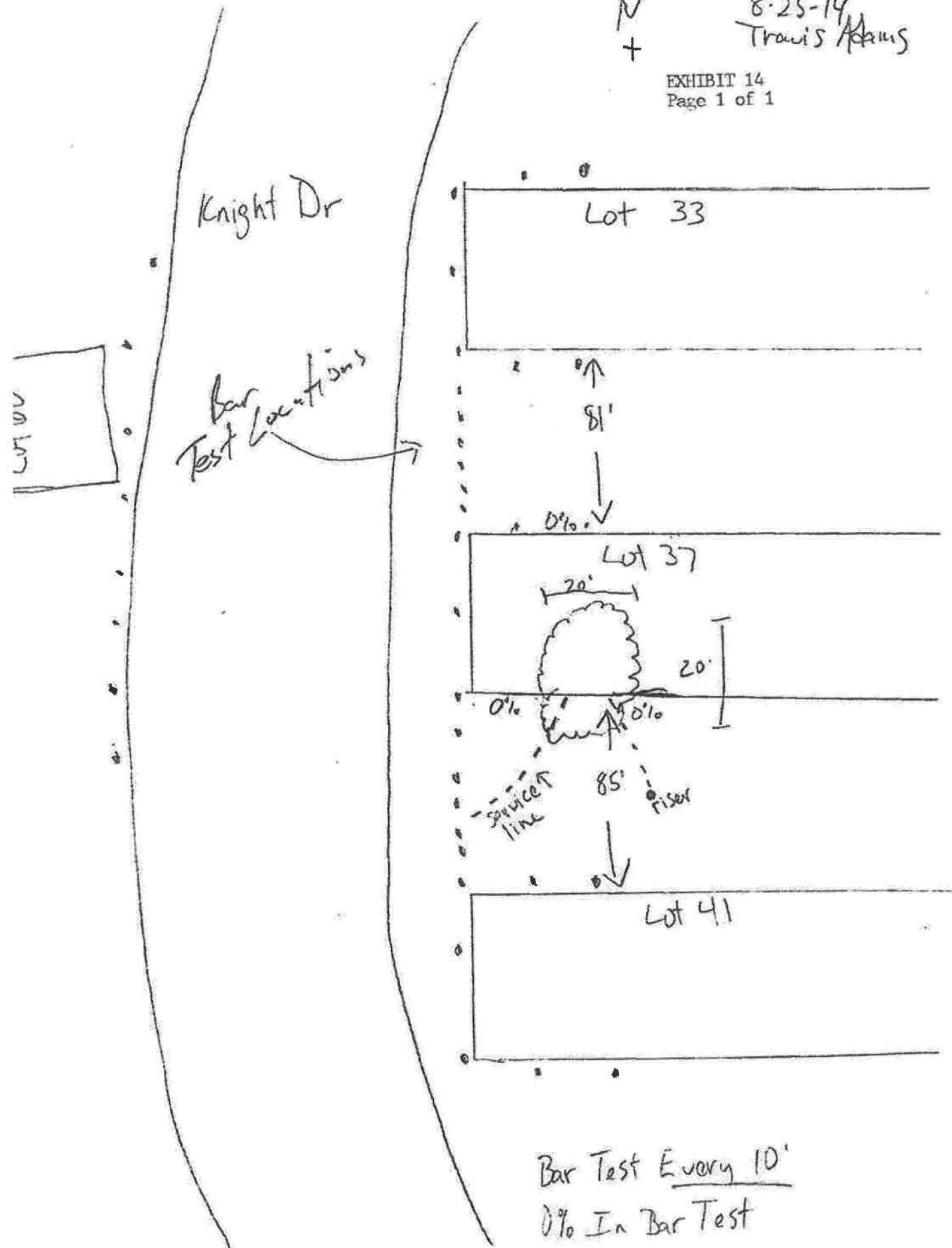
(I) AVERAGE VOLUMES OF SPACE DISPLACED BY FURNITURE AND PEOPLE (CUBIC FEET)			
1. BED, (Double)	30	5. CHEST OF DRAWERS	15
2. BED, (Single)	20	6. CEDAR CHEST	10
3. BUFFET	20	7. CHINA CABINET	10
4. CHAIR (Overstuffed)	10	8. DESK	8
		9. DIVAN (One Piece)	20
		10. DIVAN, (Sectional)	25
		11. DRESSER	10
		12. RADIO, (Table Model)	
		13. RADIO (Console)	6
		14. TABLE (Dining)	2
		15. TV (Table Model)	5
		16. TV (Console)	10
		17. ONE PERSON	3

REMARKS

M +

8-25-14
Travis Adams

EXHIBIT 14
Page 1 of 1





Weak Link – Weakening Holes Design

PE Size	Number of .375" Holes or Greater Diameter	Hole Spacing +/- 1/16"
1/2"	2	Opposite
3/4"	2	Opposite
1 1/8"	4	7/8"
1 1/4"	6	7/8"
2" IPS	8	15/16"
3" IPS	12	15/16"
4" IPS	15	15/16"
6" IPS	24	7/8"
8" IPS	27	1"
12" IPS	50	13/16"
12" IPS	30 – 0.5" holes	1-5/16"

- 4) Install the PE with locating wire. See Tracer Wire procedure.
- 5) Inspect the lead pipe for damage. Each imperfection or damage that would impair the serviceability of plastic pipe must be removed.
- 6) Pipe that has been pulled will contract as it cools and recovers from any stretching which occurred during installation. Sufficient overlap must be provided at locations where connections are to be made to allow for such shrinkage. Allow the pipe to relax for a period of time, at a minimum, equal to the duration of the pull before making any tie ins.
- 7) Remove the lead section of plastic pipe.

Installation of Plastic Pipe by Boring

Boring is an approved method for installing pipe when open trench excavating is not feasible. Examples include bores under paved roads or driveways.

- 1) Locate all underground utilities before starting project.

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- 2) Check the soil conditions. If the soil is rocky, check with your supervisor if another method should be used to prevent excessive scratching and gouging of the pipe.

Construction and Service Manual

Gas Leak Detection

Construction and maintenance personnel are usually responsible for locating and repairing underground leakage. Therefore they must: (1) rely on instruments as well as established leak procedures to locate leaks; and (2) recheck the repair work before backfilling the excavation to ensure that the source of the gas leak has been repaired. The following safe work practices will be observed when locating and repairing leaks:

1) Use combustible gas indicators (CGIs) and oxygen monitors (OMs), both inside and outside buildings, as well as underground, to detect the presence of leaking gases, or gaseous and/or oxygen-deficient atmospheres. Refer to **Special Precautions for Gaseous Atmospheres**.

a) Test all ground openings and/or "suspect-areas" in the vicinity of the reported leak. Use a probing bar to ventilate all "gas-rich" areas found while probing for the source of the leak.

b) Test over and under all gas mains and service lines in the area.

c) Investigate all indications of recent excavations in the area as possible damage points from which gas may be leaking.

d) Check inside adjacent buildings for presence of gas and at sewer vents (roof level) whenever the sewer lines in the street indicate gas is present.

e) Whenever a leak investigation indicates that a building contains a concentration of gas approaching 1% natural gas in the air, your supervisor or manager shall be notified and evacuation procedures instituted immediately. While inside the building, do not operate any switches. Leave the lights and appliances alone, and turn off the gas service outside the building.

2) Extinguish or eliminate all ignition sources in an open-air area showing a concentration of gas approaching 1% or more natural gas in the air. Some ignition sources include:

a) Gaslights, flashlights, and other non explosion-proof lighting.

b) Automobiles, trucks, or tractors -- while running.

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c) Electric machinery or tools.

RESPONDING TO LEAK OR ODOR COMPLAINTS

DATE EFFECTIVE: 10-31-12

DATE ISSUED: 10-01-12

SECTION: CS-D-1.300

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2015-Jun-23 15:39:28
60CV-15-2682
C06D13 : 2 Pages

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
13th DIVISION

STATE OF ARKANSAS

PLAINTIFF

v.

NO. 60CV-15-2682

J.F. CONSTRUCTION OF ARKANSAS, INC.

DEFENDANT

CONSENT ORDER, JUDGMENT AND DECREE

Now on this 23rd day of June, 2015, the Court is presented with the Plaintiff's Petition at Law seeking civil penalties pursuant to Arkansas Code Annotated Section 14-271-101, *et seq.* The Court having read the Petition at Law and being otherwise advised by the parties FINDS:

1. The court has jurisdiction over the parties and the subject matter of this action and the parties consent to entry of this Consent, Order, Judgment and Decree.

2. Defendant J.F. Construction of Arkansas, Inc., having reviewed the Petition at Law, admits, for purposes of settlement and of this action only, the violation alleged in Paragraph 27 of the Petition at Law.

THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

3. Defendant J.F. Construction of Arkansas, Inc. is assessed a civil penalty of Twenty-Five Thousand and no/100 Dollars (\$25,000.00) for the violation admitted herein. The Defendant shall pay the civil penalty within ten (10) days of entry of this Consent Order, Judgment and Decree. The Defendant shall also pay interest pursuant to Arkansas Code Annotated Section 16-65-114 on any unpaid balance at the end of the ten-day period. Payment of the civil penalty and interest shall be made to the General Fund for Pulaski County, Arkansas and shall be remitted to Sixth Judicial District Prosecuting Attorney Larry Jegley at the address



noted below.

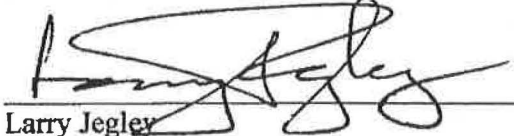
4. The Court retains jurisdiction of this matter to insure compliance with the terms of this Consent Order, Judgment and Decree.



HON. W. MIKE REIF

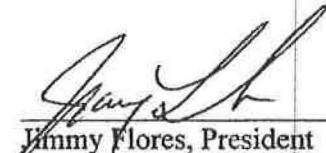
Approved as to form:

SIXTH JUDICIAL DISTRICT
PROSECUTING ATTORNEY



Larry Jegley
Sixth Judicial District Prosecuting Attorney
224 South Spring Street
Little Rock, Arkansas 72201

J.F. CONSTRUCTION OF ARKANSAS, INC.



Jimmy Flores, President
11431 Seagoville Rd.
Balch Springs, Texas 75182

2190

J. F. CONSTRUCTION OF ARKANSAS
OPERATING ACCOUNT
 P.O. BOX 800847
 BALCH SPRINGS, TX 75180



Wells Fargo Bank, N.A.
 Texas
 wells Fargo.com
 37-65/1119

6/19/2015

PAY TO THE
 ORDER OF General Fund for Pulaski County, Arkansas

\$ **25,000.00

Twenty-Five Thousand and 00/100*****

DOLLARS

General Fund for Pulaski County, Arkansas

MEMO

AUTHORIZED SIGNATURE

⑈002190⑈ ⑆111900659⑆ 8788566936⑈

J. F. CONSTRUCTION OF ARKANSAS / OPERATING ACCOUNT

2190

General Fund for Pulaski County, Arkansas

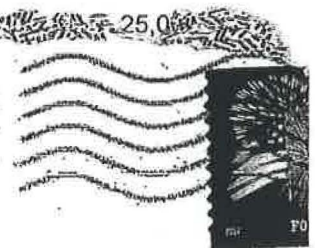
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TFC
 CONSTRUCTION, INC.

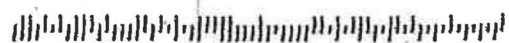
11431 Seagoville Rd.
 Balch Springs, TX 75180

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 20 JUN 2015 PM 7:1



Sixth Judicial District Prosecuting Attorney
 CC: Larry Jegley
 224 South Spring St.
 Little Rock, AR 72201

72201240624



BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF AN INVESTIGATION)
OF PROBABLE VIOLATIONS OF THE)
ARKANSAS GAS PIPELINE CODE BY)
CENTERPOINT ENERGY RESOURCES)
CORP., D/B/A CENTERPOINT ENERGY)
ARKANSAS GAS)

DOCKET NO. 15-045-U

SETTLEMENT TESTIMONY

OF

ROBERT E. HENRY
CHIEF,
PIPELINE SAFETY OFFICE

ON BEHALF OF THE STAFF OF THE
ARKANSAS PUBLIC SERVICE COMMISSION

JUNE 25, 2015

CENTERPOINT ENERGY RESOURCES CORP.
CENTERPOINT ENERGY ARKANSAS GAS
DOCKET NO. 15-045-U
SETTLEMENT TESTIMONY OF ROBERT E. HENRY

INTRODUCTION

Q. Please state your name and business address

A. My name is Robert E. Henry and my business address is the Arkansas Public Service Commission (APSC or Commission), 1000 Center Street, Little Rock, Arkansas 72201.

Q. By whom are you employed and in what capacity?

A. I am employed by the Commission's General Staff (Staff) as Chief, Pipeline Safety.

Q. Please describe your educational background and business experience.

A. I spent approximately two years at the University of Arkansas at Little Rock studying mechanical engineering. From 1978 to 1983, I was employed by Corrosion Logging Service International. As part of that employment, I managed field crews conducting close interval pipe to soil surveys in the United States and overseas. In 1983, I joined the staff of the APSC's Pipeline Safety Office (PSO). My responsibilities have included the inspection of master meter operators, local distribution and transmission operators, and gathering pipeline operators. In December 2010, I was promoted to Chief, Pipeline Safety.

Q. What is your role as Chief, Pipeline Safety?

A. I manage the PSO which has the authority to inspect intrastate gas pipelines for compliance with the Arkansas Gas Pipeline Code (Code). The role of the PSO is to ensure that natural gas operators are in compliance with the Code. The PSO determines compliance through periodic inspections of safety, such as, corrosion and leakage control which are performed on intrastate natural gas operators and

CENTERPOINT ENERGY RESOURCES CORP.
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SETTLEMENT TESTIMONY OF ROBERT E. HENRY

1 master meter operators. I also review requests regarding new pipeline
2 construction projects for compliance with state statutes and the Commission's
3 Rules of Practice and Procedures (Rules) some of which requires the
4 Commission's approval for Certificate of Environmental Compatibility and Public
5 Need (CECPN).

6 **PURPOSE OF SETTLEMENT TESTIMONY**

7 **Q. What is the purpose of your Settlement Testimony in this Docket?**

8 A. The purpose of my Settlement Testimony is to support, as reasonable, the Joint
9 Stipulation and Agreement for a Consent Order (Agreement) filed by CenterPoint
10 Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas (CEA) and the
11 PSO, being the only parties to this Docket (jointly referred to as the Settling
12 Parties). My testimony discusses the PSO investigation into a natural gas
13 incident that occurred on August 25, 2014, at 37 Knight Drive in North Little
14 Rock, Arkansas, and the probable violations of the Code discovered by the PSO.
15 Additionally, my testimony discusses the recommendations of the PSO to assess
16 a civil sanction pursuant to Ark. Code Ann. § 23-15-211 (a) for the probable
17 violations of the Code.

18 **Q. Could you please provide a summary of the incident?**

19 A. Yes. On August 25, 2014, CEA notified the PSO of a possible incident that had
20 occurred at 10:39 AM. According to the notification, a construction crew, during
21 the replacement of natural gas main and associated services, had struck and
22 ruptured a natural gas pipeline. The escaping natural gas then migrated into an

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1 adjacent structure where it was ignited resulting in an explosion inside the
2 residence. One resident was inside the structure at the time of the explosion.
3 The incident resulted in injuries to the resident who was transported to a local
4 hospital for treatment and destroyed the residence. The resulting total damage
5 caused by the natural gas incident was estimated at greater than \$50,000.

6 **Q. Did the PSO investigate the incident?**

7 **A.** Yes. The PSO investigation began the day of the incident, August 25, 2014.

8 **Q. What were the facts of the natural gas incident discovered as a result of the**
9 **PSO investigation?**

10 **A.** CEA, through the use of a contracted construction company, J.F. Construction of
11 Arkansas, Inc. (J.F.), was in the process of replacing the natural gas piping
12 located on Knight Drive, in North Little Rock, Arkansas. The natural gas pipeline
13 that is the subject of this incident is a natural gas service that ran from Knight
14 Drive, passed under the residence located at 37 Knight Drive in North Little Rock,
15 Arkansas (the Residence), and provided service to two abandoned natural gas
16 service risers at the site. The only natural gas pipeline that was located and
17 marked was a portion of a natural gas main that ran underneath the Residence to
18 one of the vacant risers, but of that natural gas service that was located and
19 marked, only the first eleven (11) feet of the natural gas service from the riser
20 were marked. The portion of the natural gas service that ran from Knight Drive
21 under the Residence was not located or marked. No other natural gas pipelines

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1 were located or marked in the area prior to the beginning of construction or the
2 incident.

3 After digging a bell hole adjacent to the vacant natural gas service riser,
4 the construction crew began to bore with a pneumatic boring device along the
5 West side of the Residence toward Knight Drive. After boring approximately
6 twenty (20) minutes, the device would no longer move forward and the contractor
7 determined that the device had hit something. The construction crew began to
8 excavate the area with a small backhoe where the pneumatic boring device had
9 stopped. The construction crew then noticed the smell of natural gas. While the
10 construction crew was in the process of excavating the device, an explosion
11 occurred in the Residence adjacent to the work area. The construction crew
12 telephoned 911.

13 One resident was inside the structure at the time of the explosion.
14 Following the explosion, a neighbor noticed that individual exiting the Residence
15 with smoke on him. The local fire department arrived and extinguished the fire.
16 The resident was transported by ambulance to a local hospital for treatment. The
17 natural gas main located on Knight Drive was located and squeezed off near the
18 tap next to a water main valve box. According to the contractor and CEA's
19 personnel, the existing natural gas pipeline service was hit by the pneumatic
20 boring device causing a tear in the side wall of the steel pipeline. The pneumatic
21 boring device also caused the natural gas service to pull out of a coupling
22 approximately three (3) feet from the west side of the residence.

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1 **Q. Did CEA or its contractor, J.F., violate any of the regulations of the**
2 **Arkansas Gas Pipeline Code?**

3 **A.** Yes. According to the Code, §192.17:“Each operator shall file with Pipeline
4 Safety, Public Service Commission, a plan for operations, inspection and
5 maintenance of each pipeline facilities which he owns or operates. In addition,
6 each change to this plan must be filed with Pipeline Safety within 20 days after
7 the change is made. Once filed, this plan becomes a part of these standards as
8 though incorporated and must be followed by the operator.”

9 CEA’s contracted personnel, J.F., failed to follow CEA’s Construction and
10 Service Manual as filed with the PSO. Specifically, Section CS-B-4.100 of CEA’s
11 Construction and Service Manual, relating to installation of plastic pipe by boring,
12 states “[w]hen boring is an approved method for installing pipe the first
13 requirement is to locate all underground utilities before starting the project.”
14 CEA’s contracted personnel failed to locate all underground utilities before
15 starting the replacement project. Additionally, J.F. failed to follow Section CS-D-
16 1.300 of CEA’s Construction and Service Manual when it failed to check the
17 adjacent structure for the presence of natural gas or evacuate the residence
18 when the presence of natural gas was known.

19 CEA through its contractor, J.F., also violated Section 192.614 Damage
20 Prevention, of the Code as stated below: According to the Code, §192.614:

21 (a) Except as provided in paragraphs (d) and (e) of this section, each
22 operator of a buried pipeline must carry out, in accordance with this section, a

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1 written program to prevent damage to that pipeline from excavation activities.

2 For the purpose of this section, the term "excavation activities" include
3 excavation, blasting, boring, tunneling, backfilling, the removal of the above
4 ground structures by either explosive or mechanical means, and other earth
5 moving operations.

6 CEA through its contractor, J.F., failed to "carry out" the written program to
7 prevent damage from excavation activities as evidenced by the damage to the
8 gas main that caused damage to the residence and injury to the resident.

9 **Conclusions and Recommendations**

10 **Q. What is the PSO's recommendation to the Commission regarding CEA's**
11 **violations of the Code?**

12 **A.** Because CEA violated the provisions of the Code, CEA is subject to a civil
13 sanction levied by this Commission. Pursuant to Ark. Code Ann. § 23-15-211 (a),
14 a pipeline operator who violates a provision of the Code is subject to a civil
15 penalty not to exceed two hundred thousand dollars (\$200,000) for each day that
16 the violation persists and not to exceed two million dollars (\$2,000,000) for any
17 related series of violations.

18 **Q. What civil sanction should the Commission impose on CEA for its**
19 **violations of the Code?**

20 **A.** I recommend that the Commission impose a civil sanction on CEA in the
21 amount of \$50,600. Rather than CEA paying the civil sanction in cash to the
22 Commission, I recommend that the Commission order CEA to provide those

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1 funds to Arkansas One Call. I further recommend that these funds be dedicated
2 for the purchase of Ground Penetrating Radar (GPR) units and the training of
3 Arkansas One Call personnel in the proper use of these devices. As a condition
4 of the donation, I also recommend that Arkansas One Call provide
5 documentation to the PSO indicating the purchase of the GPR units and that
6 these units will be dedicated for use only in Pulaski, Garland, and Faulkner
7 Counties over the first two years it uses the GPR units.

8 **Q. What is a GPR unit?**

9 **A.** GPR units can locate and map underground utilities which cannot be located with
10 current technology used by Arkansas One Call or any other natural gas utility in
11 the State. Through the use of this equipment, not only can otherwise non-
12 locatable natural gas pipelines be located, but also other critical infrastructure
13 such as water piping, sewer lines, fiber optic communication cables, and virtually
14 all underground metallic or plastic utilities can be located and mapped.

15 **Q. Why does the PSO request that the Commission order the civil sanction in**
16 **the amount of fifty thousand six hundred dollars be used to purchase GPR**
17 **units which would be donated to Arkansas One Call instead of just paying**
18 **the civil sanction in cash to the Commission?**

19 **A.** While monetary civil sanctions paid directly to the Commission can be an
20 effective tool in the enforcement of the Code where misconduct by the pipeline
21 operator has occurred, it is also the responsibility of the PSO to develop

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1 strategies and provide insights to possible solutions in order to enhance the
2 public safety of our underground natural gas pipeline infrastructure.

3 Excavation damage is the leading cause of natural gas distribution
4 pipeline incidents in Arkansas and a leading cause of pipeline incidents
5 nationwide¹. The number of excavation damage occurrences per 1,000 locate
6 tickets is an established benchmark within the damage prevention industry and
7 an important indicator of damage prevention program performance. During
8 2014, the State of Arkansas reported 6.9 pipeline damages per 1,000 locate
9 request tickets to its natural gas pipeline infrastructure statewide, or 1,592
10 pipeline damages for 231,161 locate requests. CEA reported to the PSO during
11 2014, 155,508 locate requests with 1,184 excavation damages, or 7.6 pipeline
12 hits per 1000 locates tickets. In 2013, CEA reported 87,413 locate requests and
13 1,527 excavation damages or 17.47 pipeline hits per 1000 tickets. The majority
14 of these pipeline hits occur on natural gas pipelines that are not locatable by the
15 utility or it's locating contractors. This can be caused by older plastic pipelines
16 being installed without tracer wires (prior to the Code requirements for tracer
17 wires), the tracer wire has become broken, electrically shorted pipelines,
18 mapping issues, and pipelines installed in close proximity to other foreign
19 underground structures.

20 Through the use of GPR, the number of excavation damage occurrences
21 that occurs in Arkansas should be reduced. GPR will allow virtually all

¹ Data was provided by the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) through its Pipeline Data Smart portal which collates all natural gas incidents throughout the country.

CENTERPOINT ENERGY RESOURCES CORP.
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DOCKET NO. 15-045-U
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1 underground metallic or plastic utilities to be located and mapped. The use of
2 this equipment will improve public safety and reduce the number of hits due to
3 facilities not being located. Requiring the purchase and donation of this GPR
4 equipment rather than payment of a cash civil sanction will appropriately sanction
5 CEA for its code violations in the same manner as a cash penalty. However, the
6 purchase of equipment in lieu of a cash payment will more effectively promote
7 and directly improve public safety than will a cash payment.

8 **Q. Does the PSO have any further recommendations for the Commission to**
9 **order against CEA for its violations of the Code?**

10 **A.** The PSO recommends the Commission order CEA meet with all of its
11 selected contracting companies and review the importance and requirements of
12 following all safety, construction, and operational procedures required by the
13 operator as well as the Code; recommends that the Commission direct CEA to
14 provide documentation to the PSO to verify it conducted these meetings; and
15 recommends that the Commission direct CEA to provide documentation
16 including, but not limited to, an outline of the topics discussed and the attendance
17 roster for all such meetings.

18 **Q. Should CEA be allowed to recover the civil sanction ordered by the**
19 **Commission in this docket in the rates it charges Arkansas customers?**

20 **A.** No. The PSO recommends that the Commission direct CEA that no part of the
21 civil sanction ordered in this case shall be recoverable in rates charged to its
22 customers in Arkansas.

CENTERPOINT ENERGY RESOURCES CORP.
CENTERPOINT ENERGY ARKANSAS GAS
DOCKET NO. 15-045-U
SETTLEMENT TESTIMONY OF ROBERT E. HENRY

1 **Q. To your knowledge has J.F. Construction Arkansas Inc. agreed to pay a**
2 **civil fine of twenty-five thousand (\$25,000) to the General Fund of Pulaski**
3 **County, Arkansas for violation of the Arkansas Underground Damage**
4 **Prevention Act, Ark. Code Ann. 14-271-101, et seq.?**

5 **A.** Yes. A copy of the Consent Order, Judgment and Decree signed by J.F. and the
6 Pulaski County Prosecuting Attorney, Larry Jegley, and a copy of the check paid
7 from J.F. to the General Fund of Pulaski County, Arkansas, is attached to the
8 Agreement as Exhibit 2.

9 **Q. Are the recommendations outlined in this testimony and also agreed to by**
10 **the Settling Parties in the Agreement is a reasonable resolution of the**
11 **issues in this docket and in the public interest?**

12 **A.** Yes.

13 **Q. Does this conclude your Settlement Testimony?**

14 **A.** Yes.

CENTERPOINT ENERGY RESOURCES CORP.
CENTERPOINT ENERGY ARKANSAS GAS
DOCKET NO. 15-045-U
SETTLEMENT TESTIMONY OF ROBERT E. HENRY

CERTIFICATE OF SERVICE

I, Justin A. Hinton, hereby certify that a copy of the foregoing has been served on all parties of record by electronic mail or first class mail, postage prepaid, on the 25th day of June, 2015.

/s/ Justin A. Hinton
Justin A. Hinton

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF AN INVESTIGATION)
OF PROBABLE VIOLATIONS OF THE)
ARKANSAS GAS PIPELINE CODE BY)
CENTERPOINT ENERGY RESOURCES)
CORP., D/B/A CENTERPOINT ENERGY)
ARKANSAS GAS

DOCKET NO. 15-045-U

COMPLIANCE TESTIMONY

OF

ROBERT E. HENRY
CHIEF,
PIPELINE SAFETY OFFICE

ON BEHALF OF THE STAFF OF THE
ARKANSAS PUBLIC SERVICE COMMISSION

March 09, 2016

CENTERPOINT ENERGY ARKANSAS GAS
DOCKET NO. 15-045-U
COMPLIANCE TESTIMONY OF ROBERT E. HENRY

INTRODUCTION

Q. Please state your name and business address

A. My name is Robert E. Henry and my business address is the Arkansas Public Service Commission (APSC or Commission), 1000 Center Street, Little Rock, Arkansas 72201

Q. Are you same Robert E. Henry who filed Direct Testimony on June 25, 2015?

A. Yes.

PURPOSE OF COMPLIANCE TESTIMONY

Q. What is the purpose of your Compliance Testimony in this Docket?

A. Pursuant to Commission Order No. 2 filed on September 24, 2015, this testimony is to provide the Commission a compliance report regarding CenterPoint Energy Resources Corp. d/b/a/ CenterPoint Energy Arkansas Gas's (CEA) satisfaction of the terms and conditions of the approved Joint Stipulation and Agreement (Stipulation). Order No 2 ordered and directed the following: (1) CEA) was directed to comply with the Stipulation's terms and conditions; and (2) the Pipeline Safety Office (PSO) was directed to file an appropriate compliance report in this Docket upon CEA's full satisfaction of the terms and conditions.

Q. Has CEA complied with the terms and conditions of the Stipulation?

A. Yes.

Q. What were the specific terms and conditions of the Stipulation?

CENTERPOINT ENERGY ARKANSAS GAS
DOCKET NO. 15-045-U
COMPLIANCE TESTIMONY OF ROBERT E. HENRY

1 A. First, CEA agreed to donate \$50,600 to Arkansas One Call designated for the
2 purchase by Arkansas One Call of three (3) Ground Penetrating Radar (GPR)
3 units and for the cost of training by the seller of the GPR units for the proper use
4 of the devices. CEA provided the PSO a copy of a check from CEA made
5 payable to Arkansas One Call in the amount of \$50,600.00.¹ The PSO has
6 confirmed the purchase of these units by Arkansas One Call.²

7 Second, CEA agreed to meet with all of its selected contracting
8 companies and review with them the importance and requirements of following
9 all safety, construction, and operational procedures required by CEA, as the
10 operator, as well as the Arkansas Gas Pipeline Code. CEA also agreed to
11 provide documentation of this meeting with CEA's contracting companies to the
12 PSO including, but not limited to, an outline of the topics discussed and the
13 attendance roster for all such meetings. CEA provided the attendance roster to
14 the PSO and an outline of the topics discussed during the meeting.³

15 Third, CEA agreed that no part of the amount donated to Arkansas One
16 Call for the purchase of the GPR units and related training be recoverable in
17 rates charged to its customers in Arkansas. CEA stated in an email on March 2,
18 2016, that no part of the \$50,600 has been included in its current rate case
19 (Docket No. 15-098-U).⁴

¹ See Compliance Testimony Exhibit REH-1.

² See Compliance Testimony Exhibit REH-2.

³ See Compliance Testimony Exhibit REH-3.

⁴ See Compliance Testimony Exhibit REH-4.

CENTERPOINT ENERGY ARKANSAS GAS
DOCKET NO. 15-045-U
COMPLIANCE TESTIMONY OF ROBERT E. HENRY

- 1 **Q. Do you have any recommendations regarding this case?**
- 2 A. Yes, since CEA has complied with the terms and conditions of the Stipulation, I
- 3 would recommend that this docket be closed.
- 4 **Q. Does this conclude your Compliance Testimony?**
- 5 A. Yes.

CERTIFICATE OF SERVICE

I, Justin A. Hinton, hereby certify that a copy of the foregoing has been served on all Persons on the Official Service List by electronic mail via the Commission's Electronic Filing System on the 9th day of March, 2016.

/s/ Justin Hinton
Justin A. Hinton

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF AN INVESTIGATION)
OF PROBABLE VIOLATIONS OF THE)
ARKANSAS GAS PIPELINE CODE BY)
CENTERPOINT ENERGY RESOURCES)
CORP., D/B/A CENTERPOINT ENERGY)
ARKANSAS GAS)

DOCKET NO. 15-045-U

COMPLIANCE EXHIBITS

OF

ROBERT E. HENRY
CHIEF,
PIPELINE SAFETY OFFICE

ON BEHALF OF THE STAFF OF THE
ARKANSAS PUBLIC SERVICE COMMISSION

March 09, 2016

1
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COMPLIANCE EXHIBIT REH-1

PAGE 1 of 1

CENTERPOINT ENERGY ARKLA

REFERENCE NUMBER	DATE	VOUCHER	GROSS AMOUNT	DISCOUNT	NET AMOUNT
50600.00	10/27/2015	1701140794	\$50,600.00	0.00	\$50,600.00

CC 112053

GL 506010

MC #90027

CHECK NUMBER	DATE	VENDOR NUMBER	VENDOR NAME	TOTAL AMOUNT
1261099	10/29/2015	0000190789	ARKANSAS ONE-CALL SYSTEM INC	\$50,600.00

Refer to above check number and voucher number when inquiring about your payment. Please contact: 713.207.7888
 Benefits of Electronic Funds Transfer (EFT) over check payments: Funds sent to your bank electronically, Quicker access to funds,
 More security, Email notification of EFT transaction. Please contact 713-207-7870 to receive an EFT form.

VERIFICATION BOX: (RIGHT OF ARROW, HOLD BETWEEN THUMB AND FOREFINGER, OR BREATHE ON IT. COLOR WILL DISAPPEAR, THEN REAPPEAR.)

0123



CENTERPOINT ENERGY ARKLA
 P.O. BOX 1700, HOUSTON, TX 77251-1700

50-937
 213

Vendor Number: 0000190769

Date: 10/29/2015

Check Number: 1261099

Fifty thousand six hundred and 00/100 Dollars

Pay Exactly

*****\$50,600.00

PAY TO THE ORDER OF

ARKANSAS ONE-CALL SYSTEM INC
 2120 MAPLE RIDGE CIR
 CONWAY AR 72034-8503

JPMORGAN CHASE BANK
 6040 TARBELL ROAD
 SYRACUSE, N.Y.

Carla Antio
 AUTHORIZED SIGNATURE

VOID WITHOUT SIGNATURE
 VOID AFTER NINETY DAYS

THIS DOCUMENT CONTAINS AN EMBEDDED WATERMARK VISIBLE IF HELD TO A LIGHT. ABSENCE OF THIS FEATURE INDICATES ALTERATION AND SHOULD BE VOID.

COMPLIANCE EXHIBIT REH-2

PAGE 1 OF 1

Bobby Henry

From: Kittinger, Keith A. <keith.kittinger@centerpointenergy.com>
Sent: Friday, October 30, 2015 3:04 PM
To: Bobby Henry
Cc: Bryant, Walter L.; Henderson, Kenny W.
Subject: Docket 15-045-U - Donation Request for GPR Units
Attachments: Check CNP_AOC Docket 15-045-U.pdf; Knight Drive - Final Order.pdf

As per the requirement in Docket 15-045-U, please find a copy of the check requested by Arkansas One Call to be used to purchase three (3) MALA Ground Penetrating Radar (GPR) units and for the cost of training by the seller of the GPR units for the proper use of the devices.

The check will be delivered to Arkansas One Call next week.

If you have any questions, please call.

Keith

From: Darrell Boggs [mailto:dboggs@arkonecall.com]
Sent: Thursday, October 22, 2015 9:09 AM
To: Bryant, Walter L.
Cc: Kittinger, Keith A.
Subject: Donation Request for GPR Units

Mr. Bryant,

Per Order No. 1, Docket No. 15-045-U, Arkansas One Call requests a donation in the amount of \$50,600 to be used to purchase three (3) MALA Ground Penetrating Radar (GPR) units and for the cost of training by the seller of the GPR units for the proper use of the devices. The GPR units will be transferred to our subsidiary contract locating organization, Arkansas Utility Protection Services to assist in locating natural gas pipelines that were once un-locatable or otherwise not properly located. These GPR units will be beneficial in decreasing natural gas incidents. Improving the ability to locate underground utilities will help avoid natural gas incident and, as a result, will serve to improve public safety.

Formal request on company letterhead to follow.

Thank you,

Darrell Boggs
CEO
Arkansas One Call

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ARKANSAS CONTRACTOR MEETING

October 14, 2015

- Welcome and Introductions
- 2015 Update
- Safety, Compliance and Responsibility
 - Priority-Protect LIFE first then Property
 - CS Manual-Construction Safety Precautions
- New Miscellaneous Rule – effective 10/1/2015
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 - CS-B-4.180 Qualification Of Plastic Pipe Joiners
 - CS-B-1.370 (192.305) - Inspection Rule delayed, indefinitely...
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 - White Lining
 - AOC Challenge
 - AOC Law (Fines)
 - Back-Office Dispatch Application
 - Notifications-Accurate paperwork
- PE Pipe Potential Issues
 - Pipe prep-proper scraping-rotary peeler
 - Squeeze & Release Times (provide cards)
 - Use of weak link when pulling in pipe
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 - Property Line Meter Sets/Service Replacements
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 - Continue Bare Steel Replacement
 - Continue TIMP Activities
 - Begin Vintage Plastic Pipe Replacement

COMPLIANCE EXHIBIT REH-4
PAGE 1 OF 2

ARKANSAS CONTRACTOR MEETING
October 14, 2015
2205 E. Roosevelt Rd, Little Rock, AR 72205
Topic: See attached agenda

CONTRACTOR	NAME (Printed)	SIGNATURE
Cline Trenching Services LLC	Jerry Byerly	<i>[Signature]</i>
Cline Trenching Services LLC	Ashley Valentine	<i>[Signature]</i>
Haynie Utility Construction, Inc.	<i>Bill Haynie</i>	<i>[Signature]</i>
Haynie Utility Construction, Inc.	Michael Jackson	<i>[Signature]</i>
Haynie Utility Construction, Inc.		
Humes Utilites Underground, Inc	Jase & Kacie Humes	<i>[Signature]</i>
Humes Utilites Underground, Inc	Curtis Skinner	<i>[Signature]</i>
JF Construction of Arkansas, Inc	Jimmy Flores	<i>[Signature]</i>
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McCizer Pipeline, Inc	Kyle Hazelwood	<i>[Signature]</i>
McCizer Pipeline, Inc	chud Townsend	<i>[Signature]</i>
Miller Pipeline Corp.	Jessie Murrell	<i>[Signature]</i>
Miller Pipeline Corp.	Chuck Phair	<i>[Signature]</i>
Parnell Consultants, INC.	Mark Talley	<i>[Signature]</i>
Parnell Consultants, INC.	Doyle Crenshaw	<i>[Signature]</i>
RD Crumley of Arkansas, Inc.	Damon Watson	<i>[Signature]</i>
Robin Dee Enterprises, Inc.	Robin Ward	<i>[Signature]</i>
Robin Dee Enterprises, Inc.	Mike Zentner	<i>[Signature]</i>
S&S Plumbing, Inc	<i>Stan Smith</i>	<i>[Signature]</i>
S&S Plumbing, Inc	Roger Kellare	<i>[Signature]</i>
S&S Plumbing, Inc	Robert Barnhouse	<i>[Signature]</i>
S.T. Williams Construction, Inc.	Shannon Williams	
S.T. Williams Construction, Inc.	Crystal Allen	<i>[Signature]</i>
S.T. Williams Construction, Inc.	Senna Lewis Williams	<i>[Signature]</i>
Southern Pipeline	Bobby Gipson	<i>[Signature]</i>
Southern Pipeline	Ferrall Feagin	<i>[Signature]</i>
Southern Pipeline	Brad Davis	<i>[Signature]</i>
" "	James McDougald	<i>[Signature]</i>

BEFORE THE
ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF AN INVESTIGATION)
OF PROBABLE VIOLATIONS OF THE)
ARKANSAS GAS PIPELINE CODE BY)
CENTERPOINT ENERGY RESOURCES)
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ARKANSAS GAS)

DOCKET NO. 15-045-U

COMPLIANCE EXHIBITS

OF

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50-937
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Pay Exactly

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 CONWAY AR 72034-8503

JPMORGAN CHASE BANK
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 SYRACUSE, N.Y.

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Thank you,

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Arkansas One Call

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Haynie Utility Construction, Inc.	Michael Jackson	<i>[Signature]</i>
Haynie Utility Construction, Inc.		
Humes Utilites Underground, Inc	Jase & Kacie Humes	<i>[Signature]</i>
Humes Utilites Underground, Inc	Curtis Skinner	<i>[Signature]</i>
JF Construction of Arkansas, Inc	Jimmy Flores	<i>[Signature]</i>
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" "	James McDougald	<i>[Signature]</i>

ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF AN INVESTIGATION OF)
PROBABLE VIOLATIONS OF THE ARKANSAS)
GAS PIPELINE CODE BY CENTERPOINT)
ENERGY RESOURCES CORP., D/B/A)
CENTERPOINT ENERGY ARKANSAS GAS)

DOCKET NO. 15-045-U
ORDER NO. 3

ORDER

There being no further action to be taken in this matter at this time, the Secretary of the Arkansas Public Service Commission is hereby authorized and directed to close this docket.

BY ORDER OF THE COMMISSION,

This 6th day of April, 2016.

I hereby certify that this order, issued by the Arkansas Public Service Commission, has been served on all parties of record on this date by the following method:

☐ U.S. mail with postage prepaid using the mailing address of each party as

indicated in the official docket file, or

☒ Electronic mail using the email address of each party as indicated in the official docket file.




Ted J. Thomas, Chairman



Elana C. Wills, Commissioner



Lamar B. Davis, Commissioner



Michael Sappington, Secretary of the Commission

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
HON. W. MICHAEL REIF - 13TH DIVISION 6TH CIRCUIT

STATE OF ARKANSAS V J.F. CONSTRUCTION OF ARK INC

60CV-15-2682

SUMMONS

THE STATE OF ARKANSAS TO DEFENDANT:

J.F. CONSTRUCTION OF ARKANSAS, INC
510 EAST PRATT RD
LITTLE ROCK, AR 72206

A lawsuit has been filed against you. The relief demanded is stated in the attached complaint. Within 30 days after service of this summons on you (not counting the day you received it) - or 60 days if you are incarcerated in any jail, penitentiary, or other correctional facility in Arkansas - you must file with the clerk of this court a written answer to the complaint or a motion under Rule 12 of the Arkansas Rules of Civil Procedure.

The answer or motion must also be served on the plaintiff or plaintiff's attorney, whose name and address are:

LARRY JEGLEY
224 SOUTH SPRING ST
LITTLE ROCK, AR 72201

If you fail to respond within the applicable time period, judgment by default may be entered against you for the relief demanded in the complaint.

Additional notices:

Address of Clerks Office

LARRY CRANE, CIRCUIT CLERK
CIRCUIT COURT OF PULASKI COUNTY
401 W MARKHAM
LITTLE ROCK, AR 72201

CLERK OF COURT



Crystal Hill, DC

Date: 06/16/2015

No. 60CV-15-2682 This summons is for J.F. CONSTRUCTION OF ARKANSAS, INC (name of Defendant).

PROOF OF SERVICE

☐ I personally delivered the summons and complaint to the individual at _____ [place] on _____ [date];
or

☐ I left the summons and complaint in the proximity of the individual by _____ after he/she refused to receive it when I offered it to him/her; or

☐ I left the summons and complaint at the individual's dwelling house or usual place of abode at _____ [address] with _____ [name], a person at least 14 years of age who resides there, on _____ [date]; or

☐ I delivered the summons and complaint to _____ [name of individual], an agent authorized by appointment or by law to receive service of summons on behalf of _____ [name of defendant] on _____ [date]; or

☐ I am the plaintiff or an attorney of record for the plaintiff in this lawsuit, and I served the summons and complaint on the defendant by certified mail, return receipt requested, restricted delivery, as shown by the attached signed return receipt.

☐ I am the plaintiff or an attorney of record for the plaintiff in this lawsuit, and I mailed a copy of the summons and complaint by first-class mail to the defendant together with two copies of a notice and acknowledgment and received the attached notice and acknowledgment form within twenty days after the date of mailing.

☐ Other [specify]:

☐ I was unable to execute service because:

My fee is \$ ____.

To be completed if service is by a sheriff or deputy sheriff:

Date: _____ SHERIFF OF _____ COUNTY, ARKANSAS

By: _____
[Signature of server]

[Printed name, title, and badge number]

To be completed if service is by a person other than a sheriff or deputy sheriff:

Date: _____

By: _____
[Signature of server]

[Printed name]

Address: _____

Phone: _____

Subscribed and sworn to before me this date: _____

Notary Public

My commission expires: _____

Additional information regarding service or attempted service:

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS

DIVISION

STATE OF ARKANSAS

PLAINTIFF

v.

NO. _____

J. F. CONSTRUCTION OF ARKANSAS, INC.

DEFENDANT

PETITION AT LAW

COMES NOW Plaintiff, The State of Arkansas, *ex rel.*, Larry Jegley, Sixth Judicial District Prosecuting Attorney, and for its claim against J.F. Construction of Arkansas, Inc., states as follows:

Introduction

1. The State of Arkansas seeks the assessment of civil penalties against J.F. Construction of Arkansas, Inc., for violations of the "Arkansas One Call" statute, Arkansas Code Annotated Section 14-271-101 *et seq.* The Defendant failed to visibly and appropriately mark all underground natural gas pipelines prior to beginning Excavation at or near the address of 37 Knight Drive, North Little Rock, Arkansas on August 25, 2014. During the Excavation, the Defendant's pneumatic boring device hit a natural gas pipeline, causing a tear in the side wall of the steel pipeline and also causing the natural gas main to pull out of a coupling approximately three feet from the west side of the residence located at 37 Knight Drive. These actions resulted in the release of natural gas, an ensuing explosion and fire, personal injury, property damage, and emergency response.

Parties

2. The State of Arkansas is a sovereign state of the United States of America.

3. Larry Jegley is the duly elected Prosecuting Attorney for the Sixth Judicial District of the State of Arkansas, which Judicial District encompasses North Little Rock and Little Rock, Arkansas.

4. Defendant J.F. Construction of Arkansas, Inc. is an Arkansas corporation with offices located at 510 East Pratt Road, Little Rock, Arkansas 72206.

Definitions

5. "Person" means any individual, corporation, partnership, association, improvement district, property owners association, property developer, public agency, or any other entity organized under the laws of any state or any subdivision or instrumentality of a state, and any employee, agent, or legal representative thereof. *See* Arkansas Code Annotated Section 14-271-102(9).

6. "Excavate" or "Excavation" means to dig, compress, or remove earth, rock, or other materials in or on the ground by use of mechanized equipment, tools manipulated only by human or animal power, or blasting, including, without limitation, auguring, boring, backfilling, drilling, grading, pile driving, plowing in, pulling in, trenching, tunneling, and plowing. *See* Arkansas Code Annotated Section 14-271-102(4).

7. "Underground Facility" means any line, system, and appurtenance or facility that is: (i) located beneath the ground surface or beneath structures, streets, roads, alleys, sidewalks, or other public rights of way; and (ii) used for producing, storing, conveying, transmitting, or distributing communications, data, electricity, gas, heat, water, steam, chemicals, television or radio transmissions or signals, or sewage. "Underground facility" does not include privately-owned service lines: (i) used solely for the purpose of transporting communications, data, electricity, gas, heat, water, steam, chemicals, television or radio transmission signals, or sewage

for the operation of a residence or business and wholly located on or beneath private property; or
(ii) residential or agricultural underground irrigation systems. *See* Arkansas Code Annotated Section 14-271-102(13).

8. “Operator” means any Person who owns or operates an Underground Facility. *See* Arkansas Code Annotated Section 14-271-102(8).

9. “Underground pipeline facilities” means any underground pipeline facility used to transport natural gas or hazardous liquids. However, this definition does not apply to persons (including Operator’s master meters) whose primary activity does not include the production, transportation, or marketing of gas or hazardous liquids. *See* Arkansas Code Annotated Section 14-271-102(14).

10. As used herein, “Emergency” means a condition involving an imminent danger to life, health, property, or public safety which presents a substantial likelihood that loss of life, health, or property will result before full compliance with the procedures contained in Arkansas Code Annotated Section 14-271-112 can be achieved. *See* Arkansas Code Annotated Section 14-271-109(b)(3).

Jurisdiction

11. Arkansas Code Annotated Section 14-271-101, *et seq.*, commonly referred to as the “Arkansas One Call” statute, establishes a statewide notification center (hereinafter “One Call Center”) to receive, document, and process notices of Excavations. The statute also creates certain duties on the part of Operators of Underground Pipeline Facilities and excavators.

12. Arkansas Code Annotated Section 14-271-112 provides that a Person shall not engage in any Excavation without having first notified the One Call Center in accordance with the provisions of Section 14-271-112(b) and (c).

13. More specifically, Arkansas Code Annotated Section 14-271-112(b) mandates that, prior to commencing any Excavation operation, a Person responsible for the Excavation operation must contact the One Call Center and provide notice of intent for the planned Excavation. The notice must be given at least 48 hours prior to the commencement of the Excavation, excluding weekends and legal holidays. Notice may be provided in written format or telephonically by calling the One Call Center. The notice of intent shall contain:

- a. The name of the Person making the notification;
- b. The name, address, and telephone number of the Person responsible for the proposed Excavation;
- c. The starting date for, anticipated duration of, and type of, Excavation to be conducted;
- d. The specific location of the proposed Excavation; and
- e. Whether the discharge of explosives is anticipated during the Excavation.

See Arkansas Code Annotated Section 14-271-112(c).

14. Pursuant to Arkansas Code Annotated Section 14-271-110, within four working hours after receiving notice of intent for a planned Excavation, the One Call Center must, in turn, notify all member Operators of Underground Facilities in the affected area of the proposed Excavation. Unless otherwise agreed by the Operator and excavator, within 48 hours after receiving notification from the One Call Center, excluding weekends and legal holidays, Operators of Underground Facilities receiving such notification must then clearly mark the horizontal location of their Underground Facilities in the affected area. *See* Arkansas Code Annotated Section 14-271-110(a)(2)(A).

15. There are certain limited exceptions to the requirements of Arkansas Code Annotated Section 14-271-112, including an "Emergency" exception contained in Arkansas

Code Annotated Section 14-271-109(b).

16. Arkansas Code Annotated Section 14-271-104 provides that a Person who violates any provision of the Arkansas One Call law is subject to a civil penalty not to exceed \$2,500.00 for each violation. However, Operators of Underground Pipeline Facilities and excavators shall, upon violation of any applicable requirement of 49 C.F.R. Part 198, Subpart C, be subject to civil penalties not to exceed \$25,000.00 for each violation for each day that the violation persists, except that the maximum civil penalty shall not exceed \$500,000.00 for any related series of violations.

17. Arkansas Code Annotated Section 14-271-104(b)(1) authorizes the Attorney General of Arkansas, the county prosecutor, or the city attorney, at the request of any Person, to institute legal proceedings in a court of competent jurisdiction to enforce the penalty provisions of the Arkansas One Call law. All penalties recovered in any such action shall be paid into the General Fund of the state, county or municipality that prosecutes the action. *See* Arkansas Code Annotated Section 14-271-104(b)(2).

Facts

18. Prior to and on August 25, 2014, CenterPoint Energy Arkansas Gas (“CEA”), was the owner and Operator of a natural gas pipeline located along Knight Drive in North Little Rock, Arkansas. As part of its project to replace natural gas mains and service lines along Knight Drive in North Little Rock, Arkansas, CEA contracted with Defendant J.F. Construction of Arkansas, Inc. to carry out certain work under the project. Accordingly, on August 25, 2014, Defendant J.F. Construction of Arkansas, Inc. served as the contractor performing Excavation work for CEA on CEA’s project to replace natural gas mains and service lines along Knight Drive. At all times pertinent hereto, Defendant had voluntarily and contractually assumed all

obligations on the part of CEA for One Call notification and marking of CEA utilities related to the intended Excavation along Knight Drive in North Little Rock, Arkansas.

19. On or about August 25, 2014, while performing the Excavation project along Knight Drive, a pneumatic boring device being used by employees of J.F. Construction of Arkansas, Inc. struck an object underground, which caused the boring device to stop. The crew then began further Excavation of the area using a small backhoe in order to determine what had stopped the boring device. While engaged in this process, the crew members noticed the smell of natural gas. Approximately five minutes later, an adjacent residence located at 37 Knight Drive flash exploded, injuring the resident who was inside the home and causing a fire. The resident suffered burns and was transported to the hospital for treatment. The local fire department responded to the residence and extinguished the blaze. Subsequent investigation determined that the object struck by the boring device was an underground natural gas pipeline that was unmarked.

20. Before beginning Excavation, Defendant notified the Arkansas One Call Center of its intent to Excavate and received appropriate responsive information from the One Call Center. However, in marking the underground utilities, Defendant failed to mark all CEA underground natural gas pipelines and instead only marked a portion of the CEA natural gas pipelines at the location. Accordingly, Defendant proceeded with the Excavation without all underground facilities on the property having been located and clearly marked.

21. Natural gas is flammable and highly explosive.

22. While conducting the Excavation described herein, Defendant's pneumatic boring device hit the natural gas pipeline, causing a tear in the side wall of the steel pipeline. The pneumatic boring device also caused the natural gas main to pull out of a coupling approximately

three feet from the west side of the residence at 37 Knight Drive, all of which resulted in the release of natural gas, an explosion and fire, personal injury, property damage, and emergency response.

23. Removing earth with a pneumatic boring device constitutes "Excavation" as defined in Arkansas Code Annotated Section 14-271-102(4).

24. At all material times hereto, Defendant was engaged in "Excavation" as defined in Arkansas Code Annotated Section 14-271-102(4).

25. A buried natural gas pipeline is an "Underground Facility" as defined in Arkansas Code Annotated Section 14-271-102(13)(A)-(B).

26. At all material times hereto, there was no "imminent danger to life, health, property, or public safety" that would have constituted an "Emergency" so as to except or excuse Defendant from clearly marking the horizontal course of all CEA Underground Facilities on the subject property prior to beginning Excavation.

Violation(s)

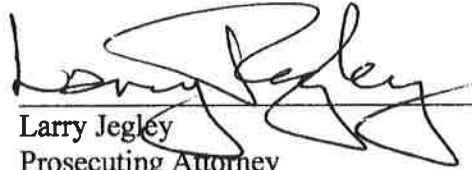
27. On or about August 25, 2014, Defendant J.F. Construction of Arkansas, Inc. engaged in Excavation activity at or near 37 Knight Drive, North Little Rock, Arkansas without first identifying the approximate location of all CEA Underground Facilities by field-marking on the surface by paint, dye, stakes, or any other clearly visible marking that would have designated the horizontal course of all CEA Underground Facilities, in violation of Arkansas Code Annotated Section 14-271-110(a)(2)(A).

Prayer for Relief

WHEREFORE, Plaintiff State of Arkansas, *ex rel.*, Larry Jegley, Prosecuting Attorney for the Sixth Judicial District of the State of Arkansas, requests that the Court assess a civil

penalty against Defendant J.F. Construction of Arkansas, Inc., pursuant to Arkansas Code Annotated Section 14-271-104(a)(2) for a single violation of Arkansas Code Annotated Section 14-271-110(a)(2)(A) involving natural gas pipelines in the amount of Twenty-Five Thousand Dollars (\$25,000.00).

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Larry Jegley", is written over a horizontal line.

Larry Jegley
Prosecuting Attorney
Sixth Judicial District
State of Arkansas
224 South Spring Street
Little Rock, Arkansas 72201
(501) 340-8000